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Uniform System of Accounts for Class C Natural Gas Companies

Important developments in the natural gas industry since the adoption of the Uniform System of Accounts effective January 1, 1940, and the experience of the Commission over the past 20 years indicated the need for a revision of the System of Accounts. Accordingly, this proceeding was commenced by Notice of Proposed Rulemaking served upon interested parties, including State and Federal regulatory agencies, and by publication in the FEDERAL REGISTER on August 17, 1960 (25 F.R. 7918). Copies of the proposed revised System of Accounts were served and published as a part of that general notice, as heretofore noted.

The revisions of the Commission's System of Accounts, as then proposed are prescribed hereinafter as a part of the Commission's Uniform System of Accounts to become effective January 1, 1961.

Heretofore, the Commission has not had a separately issued Uniform System of Accounts for Class C Natural Gas Companies, as such. The accounting requirements presently effective for small utilities (Class C and Class D), consist of an abridgement of the accounts for large natural gas companies by means of account charts appearing as Appendix II of the pamphlet version of the Uniform System of Accounts. In these account charts, the condensed accounts applicable to the small utilities are indicated by bracketing related account titles applicable to Class A and Class B utilities. The result is that small utilities have had to work with an inordinate amount of textual materials designed for larger utilities. An objective of the System of Accounts, prescribed hereinafter is to relieve small utilities from that burden. It is believed that the revised System of Accounts provides these smaller utilities with a simplified System of Accounts appropriate for the magnitude of their operations. The revised System of Accounts prescribed herein reflects the basic principles found in this Commission's recently issued revised Uniform System of Accounts Prescribed for Class A and Class B Natural Gas Companies Subject to the Provisions of the Natural Gas Act, Docket No. R–174. The revised System of Accounts introduces the following important improvements in this Com-

Title 18—CONSERVATION OF POWER

Chapter I—Federal Power Commission

SUBCHAPTER F—ACCOUNTS, NATURAL GAS ACT

[Order No. 227; Docket No. R–186]

PART 204—UNIFORM SYSTEM OF ACCOUNTS FOR CLASS C NATURAL GAS COMPANIES

This Commission has under consideration in this proceeding the revision of Part 204—Application of Uniform System of Accounts to Class C and Class D Natural Gas Companies of Subchapter F—Accounts, Natural Gas Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations (CFR), to prescribe a revised Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act (Class C). That revised System of Accounts, as set forth in the attachment to the Notice of Proposed Rulemaking in this docket (25 F.R. 7919–7953) is prescribed hereinafter to become effective January 1, 1961.

Part 204, §§ 204.1 through 204.8 of said Title and Code correspond to, and appear at pages 179–200 of the Commission's pamphlet publication of its Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act, effective January 1, 1940, revised to January 1, 1954,[1] as amended by Order No. 203, issued May 29, 1958 (23 F.R. 4164, June 12, 1958). That System of Accounts, as revised and prescribed hereinafter, follows the numbering system (accounts, instructions, definitions, etc.) used in the Notice of Proposed Rulemaking referred to above.

[1] The Uniform System of Accounts effective January 1, 1940 was prescribed by Commission Order No. 69 dated November 3, 1939 (4 F.R. 4764, December 5, 1939); and was contained in the codification and reissuance of the Commission's general rules promulgated by Commission Order No. 141, December 11, 1947, effective January 1, 1948 (13 F.R. 8461).

mission's small utility accounting requirements:

a. New size classifications for gas utilities;

b. Simple plant and expense classifications for manufactured gas;

c. Certain necessary new accounts;

d. New arrangement of balance sheet and certain other accounts to make them more informative;

e. A reduced number of expense account classifications, mainly but not entirely, by the discontinuance of segregations of numerous functional accounts as to labor and other expenses;

f. Expanded items lists of account texts and clearer description of such items according to their functional nature, to facilitate use and consistency of respective account classifications; and

g. Restatements of the accounting aspects of certain accounting interpretations issued in the past.

In recommending the form of revised System of Accounts accompanying the Notice of Proposed Rulemaking in this proceeding, the staff of this Commission correlated its activities with the activities of the National Association of Railroad and Utility Commissioners (NARUC) which has recently prepared a form of NARUC Uniform System of Accounts for Class C gas utilities. This was done to promote continued consistency and uniformity of approach to the common problems with which the two accounting systems are concerned; and to assure a minimum amount of deviation where the two accounting systems do differ. The staff's activities in this regard were undertaken mainly with the Committee on Statistics and Accounts of the NARUC.

The aforesaid Notice of Proposed Rulemaking provided for the submission of data, views, comments, or protests in writing not later than September 19, 1960. To date no such data, views, comments, or protests have been received.

The Commission recognizes that some burden and expense will have to be borne by the accounting and reporting parties affected in connection with the transition from the present to the revised System of Accounts. However, the Commission is of the opinion that the physical burden and monetary cost of the change over is of minor importance when viewed in relation to the immediate and future benefits to be derived from the revised System of Accounts, as prescribed herein.

For the convenience of all parties concerned, Appendix A set forth below correlates the account titles of the Commission's Uniform System of Accounts applicable to Class C Natural Gas Companies, effective January 1, 1940, with the revised System of Accounts prescribed herein effective January 1, 1961. Being a schematic presentation only, and of a very general nature, nothing contained therein shall be construed as in any way modifying the general or specific account titles, texts, and instructions of either of the Systems of Accounts.

Also, it should be noted that for the period of time required for the preparation and publication of the revised System of Accounts prescribed herein in pamphlet form, the revised System of Accounts (18 CFR Part 204) will be available in the printed form set forth below as Appendix B.

The Commission finds:

(1) In view of the foregoing, and upon consideration of all relevant matters presented, it is necessary and appropriate for the purposes of the Natural Gas Act, that the proposed revised System of Accounts as set forth in the Notice of Proposed Rulemaking (25 F.R. 7919–7953), be adopted and promulgated as this Commission's revised Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act (Class C), effective January 1, 1961, all in the manner as hereinafter provided.

(2) Good cause exists for the adoption of the revised System of Accounts set forth herein to be effective as of January 1, 1961.

The Commission, acting pursuant to the Natural Gas Act, as amended, particularly sections 8(a), 10, and 16 (15 U.S.C. 717g, 717i, and 717o) orders:

(A) Effective January 1, 1961, Part 204, Subchapter F—Accounts, Natural Gas Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations is amended to read as set forth in Appendix B below.

(B) Effective January 1, 1961, all Class C Natural Gas Companies under the Natural Gas Act shall keep their accounts in the manner set forth in the revised System of Accounts appearing in Appendix B below.

(C) The Secretary of the Commission shall cause prompt publication of this order.

Issued: December 21, 1960.

By the Commission.

[SEAL] J. H. GUTRIDE,
Secretary.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS			BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS			ASSETS AND OTHER DEBITS
1. Utility Plant			*1. Utility Plant*
Gas plant:			
Gas plant in service, leased to others, and held for future use.	1100.1	101	Gas plant in service.
		104	Gas plant leased to others.
		105	Gas plant held for future use.
Construction work in progress	1100.3	107	Construction work in progress—gas.
Gas plant acquisition adjustments	1100.5	114	Gas plant acquisition adjustments.
Gas plant in process of reclassification	1100.6	103	Gas plant in process of reclassification.
Gas plant adjustments	1107	116	Other gas plant adjustments.
Other utility plant	1108	118	Other utility plant.
2. Investment and Fund Accounts			*2. Other Property and Investments*
Other physical property	1110	121	Nonutility property.
Miscellaneous investments and special funds	1114	124	Other investments.
		125	Special funds.
3. Current and Accrued Assets			*3. Current and Accrued Assets*
Cash and working funds	1120	131	Cash and working funds.
Temporary cash investments	1123	132	Temporary cash investments
Notes and accounts receivable	1124	141	Notes receivable.
		142	Customer accounts receivable.
Receivables from associated companies	1126	143	Other accounts receivable.
		145	Notes receivable from associated companies.
		146	Accounts receivable from associated companies.
Materials and supplies	1131	150	Materials and supplies.
Prepayments	1132	165	Prepayments.
Miscellaneous current and accrued assets	1133	170	Other current and accrued assets.
Gas stored underground	1134	164	Gas stored underground.
4. Deferred Debits			*4. Deferred Debits*
Unamortized debt discount and expense	1140	181	Unamortized debt discount and expense.
Extraordinary property losses	1141	182	Extraordinary property losses.
Miscellaneous deferred debits	1146	183	Other deferred debits.
5. Capital Stock Discount and Expense			
Discount on capital stock	1150	213	Discount on capital stock.
Capital stock expense	1151	214	Capital stock expense.
6. Reacquired Securities			
Reacquired securities	1152	217	Reacquired capital stock.
		221	Bonds.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS			BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS			ASSETS AND OTHER DEBITS
1. Utility Plant			*1. Utility Plant*
Gas plant in service	101	1100.1	Gas plant in service, leased to others, and held for future use.
Gas plant purchased or sold	102	1391	Gas plant purchased.
		1392	Gas plant sold.
Gas plant in process of reclassification	103	1100.6	Gas plant in process of reclassification.
Gas plant leased to others	104	1100.1	Gas plant in service, leased to others, and held for future use.
Gas plant held for future use	105		
Construction work in progress—gas	107	1100.3	Construction work in progress.
Accumulated provision for depreciation, depletion and amortization of gas plant.	110	1250	Reserve for depreciation and amortization of gas plant.
		1251	Reserve for amortization of other limited-term gas investments.
Gas plant acquisition adjustments	114	1100.5	Gas plant acquisition adjustments.
		1252	Reserve for amortization of gas plant acquisition adjustments.
Other gas plant adjustments	116	1107	Gas plant adjustments.
Other utility plant	118	1108	Other utility plant.
Accumulated provision for depreciation and amortization of other utility plant.	119	1253	Reserve for depreciation and amortization of other property.
2. Other Property and Investments			*2. Investment and Fund Accounts*
Nonutility property	121	1110	Other physical property.
Accumulated provision for depreciation and amortization of nonutility property.	122	1253	Reserve for depreciation and amortization of other property.
Other investments	124	1114	Miscellaneous investments and special funds.
Special funds	125		
3. Current and Accrued Assets			*3. Current and Accrued Assets*
Cash and working funds	131	1120	Cash and working funds.
Temporary cash investments	132	1123	Temporary cash investments.
Notes receivable	141	1221	Notes receivable discounted.
Customer accounts receivable	142	1124	Notes and accounts receivable.
Other accounts receivable	143		
Accumulated provision for uncollectible accounts—credit.	144	1254	Reserve for uncollectible accounts.
Notes receivable from associated companies	145	1126	Receivables from associated companies.
Accounts receivable from associated companies	146		
Materials and supplies	150	1131	Materials and supplies.
Gas stored underground	164	1134	Gas stored underground.
Prepayments	165	1132	Prepayments.
Other current and accrued assets	170	1133	Miscellaneous current and accrued assets.
4. Deferred Debits			*4. Deferred Debits*
Unamortized debt discount and expense	181	1140	Unamortized debt discount and expense.
Extraordinary property losses	182	1141	Extraordinary property losses.
Other deferred debits	183	1146	Miscellaneous deferred debits.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS			LIABILITIES AND OTHER CREDITS
7. Capital Stock			*5. Proprietary Capital*
Common capital stock	1200	201	Common capital stock.
Preferred capital stock	1201	204	Preferred capital stock.
Stock liabilities for conversion	1202		
Premiums and assessments on capital stock	1203	207	Other paid-in capital.
Capital stock subscribed	1204		
Installments received on capital stock	1205	212	Installments received on capital stock.
8. Long-term Debt			*6. Long-term Debt*
Bonds	1210	221	Bonds.
Receivers' certificates	1211	224	Other long-term debt.
Advances from associated companies	1212	223	Advances from associated companies.
Miscellaneous long-term debt	1213	224	Other long-term debt.
9. Current and Accrued Liabilities			*7. Current and Accrued Liabilities*
Notes and accounts payable	1220	231	Notes payable.
		232	Accounts payable.
Notes receivable discounted	1221	141	Notes receivable (see note).
Payables to associated companies	1223	233	Notes payable to associated companies.
		234	Accounts payable to associated companies.
Dividends declared	1224		
Matured long-term debt	1225	238	Other current and accrued liabilities.
Matured interest	1226		
Customers' deposits	1227	235	Customer deposits.
Taxes accrued	1228	236	Taxes accrued.
Interest accrued	1229	237	Interest accrued.
Other current and accrued liabilities	1230	238	Other current and accrued liabilities.
10. Deferred Credits			*8. Deferred Credits*
Unamortized premium on debt	1240	251	Unamortized premium on debt.
Customers' advances for construction	1241	252	Customer advances for construction.
Other deferred credits	1242	253	Other deferred credits.
11. Reserves			*9. Operating Reserves*
Reserve for depreciation and amortization of gas plant.	1250	110	Accumulated provision for depreciation, depletion and amortization of gas plant.
Reserve for amortization of other limited-term gas investments.	1251		
Reserve for amortization of gas plant acquisition adjustments.	1252	114	Gas plant acquisition adjustments.
Reserve for depreciation and amortization of other property.	1253	119	Accumulated provision for depreciation and amortization of other utility plant.
		122	Accumulated provision for depreciation and amortization of nonutility property.
Reserve for uncollectible accounts	1254	144	Accumulated provision for uncollectible accounts—credit.
Miscellaneous reserves	1258	261	Property insurance reserve.
		262	Injuries and damages reserve.
		263	Pensions and benefits reserve.
		265	Miscellaneous operating reserves.
12. Contributions in Aid of Construction			*10. Contributions in Aid of Construction*
Contributions in aid of construction	1265	271	Contributions in aid of construction.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS			LIABILITIES AND OTHER CREDITS
5. Proprietary Capital			*7. Capital Stock*
Common capital stock	201	1200	Common capital stock.
Preferred capital stock	204	1201	Preferred capital stock.
		1202	Stock liability for conversion.
Other paid-in capital	207	1203	Premiums and assessments on capital stock.
		1204	Capital stock subscribed.
		1270	Capital surplus.
Installments received on capital stock	212	1205	Installments received on capital stock.
Discount on capital stock	213	1150	Discount on capital stock.
Capital stock expense	214	1151	Capital stock expense.
Appropriated earned surplus	215	1271	Earned surplus.
Unappropriated earned surplus	216		
Reacquired capital stock	217	1152	Reacquired securities.
6. Long-term Debt			*8. Long-term Debt*
Bonds	221	1210	Bonds.
		1152	Reacquired securities.
Advances from associated companies	223	1212	Advances from associated companies.
Other long-term debt	224	1211	Receivers' certificates.
		1213	Miscellaneous long-term debt.
7. Current and Accrued Liabilities			*9. Current and Accrued Liabilities*
Notes payable	231	1220	Notes and accounts payable.
Accounts payable	232		
Notes payable to associated companies	233	1223	Payables to associated companies.
Accounts payable to associated companies	234		
Customer deposits	235	1227	Customers' deposits.
Taxes accrued	236	1228	Taxes accrued.
Interest accrued	237	1229	Interest accrued.
		1224	Dividends declared.
Other current and accrued liabilities	238	1225	Matured long-term debt.
		1226	Matured interest.
		1230	Other current and accrued liabilities.
8. Deferred Credits			*10. Deferred Credits*
Unamortized premium on debt	251	1240	Unamortized premium on debt.
Customer advances for construction	252	1241	Customers' advances for construction.
Other deferred credits	253	1242	Other deferred credits.
9. Operating Reserves			*11. Reserves*
Property insurance reserve	261		
Injuries and damages reserve	262	1258	Miscellaneous reserves.
Pensions and benefits reserve	263		
Miscellaneous operating reserves	265		
10. Contributions in Aid of Construction			*12. Contributions in Aid of Construction*
Contributions in aid of construction	271	1265	Contributions in aid of construction.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS—con.			LIABILITIES AND OTHER CREDITS—con.
15. Accumulated Deferred Taxes on Income			*11. Accumulated Deferred Income Taxes*
Accumulated deferred taxes on income—accelerated amortization.	1266.1	281	Accumulated deferred income taxes—accelerated amortization.
Accumulated deferred taxes on income—liberalized depreciation.	1266.2	282	Accumulated deferred income taxes—liberalized depreciation.
Accumulated deferred taxes on income—other	1266.3	283	Accumulated deferred income taxes—other.
14. Surplus			
Capital surplus	1270	207	Other paid-in capital.
Earned surplus	1271	215	Appropriated earned surplus.
		216	Unappropriated earned surplus.
GAS PLANT ACCOUNTS			GAS PLANT ACCOUNTS
1. Intangible Plant			*1. Intangible Plant*
Organization	1301	301	Organization.
Franchises and consents	1302	302	Franchises and consents.
Miscellaneous intangible plant	1303	303	Miscellaneous intangible plant.
2. Production Plant			*2. Production Plant*
A. Manufactured Gas Production Plant			*A. Manufactured Gas Production Plant*
Land and land rights	1311	304	Land and land rights.
Structures and improvements	1312	305	Structures and improvements.
Boiler plant equipment	1313	306	Boiler plant equipment.
Other power equipment	1314	307	Other power equipment.
Benches and retorts	1315	313	Generating equipment—other processes.
Coke ovens	1316	308	Coke ovens.
Producer gas equipment	1317	309	Producer gas equipment.
Water gas generating equipment	1318	310	Water gas generating equipment.
Liquefied petroleum gas equipment	1319	311	Liquefied petroleum gas equipment.
Other gas generating equipment	1320	312	Oil gas generating equipment.
		313	Generating equipment—other processes.
Coal, coke, and ash handling equipment	1321	314	Coal, coke, and ash handling equipment.
Gas reforming equipment	1322	316	Other reforming equipment.
Purification equipment	1323	317	Purification equipment.
Residual refining	1324	318	Residual refining equipment.
Gas mixing equipment	1325	319	Gas mixing equipment.
Other production equipment	1326	320	Other equipment.
B.1 Natural Gas Production and Gathering Plant			*B.1 Natural Gas Production and Gathering Plant.*
Natural gas producing lands and leaseholds	1330.1	325.1	Producing lands.
		325.2	Producing leaseholds.
Natural gas rights	1330.3	325.3	Gas rights.
		325.4	Rights-of-way.
Other land and land rights	1330.5	325.5	Other land and land rights.
Production system structures	1331	326	Gas well structures.
		327	Field compressor station structures.
		328	Field measuring and regulating station structures.
		329	Other structures.
Producing gas wells	1332	330	Producing gas wells—well construction.
		331	Producing gas wells—well equipment.
Field lines	1333.1	332	Field lines.
Field compressor station equipment	1333.2	333	Field compressor station equipment.
Field measuring and regulating station equipment.	1333.3	334	Field measuring and regulating station equipment.
Drilling and cleaning equipment	1334	335	Drilling and cleaning equipment.
Purification equipment	1335	336	Purification equipment.
Other production and gathering equipment	1336	337	Other equipment.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS—con.			LIABILITIES AND OTHER CREDITS—con.
11. Accumulated Deferred Income Taxes			*15. Accumulated Deferred Taxes on Income*
Accumulated deferred income taxes—accelerated amortization.	281	1266.1	Accumulated deferred taxes on income—accelerated amortization.
Accumulated deferred income taxes—liberalized depreciation.	282	1266.2	Accumulated deferred taxes on income—liberalized depreciation.
Accumulated deferred income taxes—other	283	1266.3	Accumulated deferred taxes on income—other.
GAS PLANT ACCOUNTS			GAS PLANT ACCOUNTS
1. Intangible Plant			*1. Intangible Plant*
Organization	301	1301	Organization.
Franchises and consents	302	1302	Franchises and consents.
Miscellaneous intangible plant	303	1303	Miscellaneous intangible plant.
2. Production Plant			*2. Production Plant*
A. Manufactured Gas Production Plant			*A. Manufactured Gas Production Plant*
Land and land rights	304	1311	Land and land rights.
Structures and improvements	305	1312	Structures and improvements.
Boiler plant equipment	306	1313	Boiler plant equipment.
Other power equipment	307	1314	Other power equipment.
Coke ovens	308	1316	Coke ovens.
Producer gas equipment	309	1317	Producer gas equipment.
Water gas generating equipment	310	1318	Water gas generating equipment.
Liquefied petroleum gas equipment	311	1319	Liquefied petroleum gas equipment.
Oil gas generating equipment	312	1320	Other gas generating equipment.
Generating equipment—other processes	313	1315	Benches and retorts.
		1320	Other gas generating equipment.
Coal, coke, and ash handling equipment	314	1321	Coal, coke, and ash handling equipment.
Catalytic cracking equipment	315	----	New account.
Other reforming equipment	316	1322	Gas reforming equipment.
Purification equipment	317	1323	Purification equipment.
Residual refining equipment	318	1324	Residual refining equipment.
Gas mixing equipment	319	1325	Gas mixing equipment.
Other equipment	320	1326	Other production equipment.
B.1 Natural Gas Production and Gathering Plant			*B.1 Natural Gas Production and Gathering Plant*
Producing lands	325.1	1330.1	Natural gas producing lands and leaseholds.
Producing leaseholds	325.2		
Gas rights	325.3	1330.3	Natural gas rights.
Rights-of-way	325.4		
Other land and land rights	325.5	1330.5	Other land and land rights.
Gas well structures	326	1331	Production system structures.
Field compressor station structures	327		
Field measuring and regulating station structures.	328		
Other structures	329		
Producing gas wells—well construction	330	1332	Producing gas wells.
Producing gas wells—well equipment	331		
Field lines	332	1331.1	Field lines.
Field compressor station equipment	333	1333.2	Field compressor station equipment.
Field measuring and regulating station equipment.	334	1333.3	Field measuring and regulating station equipment.
Drilling and cleaning equipment	335	1334	Drilling and cleaning equipment.
Purification equipment	336	1335	Purification equipment.
Other equipment	337	1336	Other production and gathering equipment.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
GAS PLANT ACCOUNTS—Continued			GAS PLANT ACCOUNTS—Continued
2. Production Plant—Continued			*2. Production Plant*—Continued
B.2 Products Extraction Plant			*B.2 Products Extraction Plant*
Land and land rights	1337.1	340	Land and land rights.
Structures and improvements	1337.2	341	Structures and improvements.
		342	Extraction and refining equipment.
		343	Pipe lines.
Products extraction and refining equipment	1337.3	344	Extracted products storage equipment.
		345	Compressor equipment.
		346	Gas measuring and regulating equipment.
		347	Other equipment.
3. Storage Plant			*3. Storage Plant*
A. Underground Storage Plant			*A. Underground Storage Plant*
		350.1	Land.
		350.2	Leaseholds.
Land and land rights	1341	350.3	Storage rights.
		350.4	Rights-of-way.
		350.5	Gas rights.
Structures and improvements	1342	351	Structures and improvements.
Storage gas wells	1343.1	352	Wells.
Underground storage lines	1343.3	353	Lines.
		354	Compressor station equipment.
Underground storage pumping and regulating equipment.	1343.4	355	Measuring and regulating equipment.
		356	Purification equipment.
Other underground storage equipment	1343.6	357	Other equipment.
B. Local Storage Plant			*B. Local Storage Plant*
Land and land rights	1345	360	Land and land rights.
Structures and improvements	1346	361	Structures and improvements.
Gas holders	1347	362	Gas holders.
Other local gas storage equipment	1349	363	Other equipment.
4. Transmission Plant			*4. Transmission Plant*
Land and land rights	1351	365.1	Land and land rights.
Structures and improvements	1352	366	Structures and improvements.
Mains	1353	367	Mains.
		368	Compressor station equipment.
Pumping and regulating equipment	1354	369	Measuring and regulating station equipment.
Other transmission system equipment	1355	371	Other equipment.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
GAS PLANT ACCOUNTS—Continued			GAS PLANT ACCOUNTS—Continued
2. Production Plant—Continued			*2. Production Plant*—Continued
B.2 Products Extraction Plant			*B.2 Products Extraction Plant*
Land and land rights	340	1337.1	Land and land rights.
Structures and improvements	341	1337.2	Structures and improvements.
Extraction and refining equipment	342		
Pipe lines	343		
Extracted products storage equipment	344	1337.3	Products extraction and refining equipment.
Compressor equipment	345		
Gas measuring and regulating equipment	346		
Other equipment	347		
3. Storage Plant			*3. Storage Plant*
A. Underground Storage Plant			*A. Underground Storage Plant*
Land	350.1		
Leaseholds	350.2	1341	Land and land rights.
Storage rights	350.3		
Rights-of-way	350.4		
Gas rights	350.5		
Structures and improvements	351	1342	Structures and improvements.
Wells	352	1343.1	Storage gas wells.
Lines	353	1343.3	Underground storage lines.
Compressor station equipment	354		
Measuring and regulating equipment	355	1343.4	Underground storage pumping and regulating equipment.
Purification equipment	356		
Other equipment	357	1343.6	Other underground storage equipment.
B. Local Storage Plant			*B. Local Storage Plant*
Land and land rights	360	1345	Land and land rights.
Structures and improvements	361	1346	Structures and improvements.
Gas holders	362	1347	Gas holders.
Other equipment	363	1349	Other local gas storage equipment.
4. Transmission Plant			*4. Transmission Plant*
Land and land rights	365.1	1351	Land and land rights.
Rights-of-way	365.2	-------	New account.
Structures and improvements	366	1352	Structures and improvements.
Mains	367	1353	Mains.
Compressor station equipment	368	1354	Pumping and regulating equipment.
Measuring and regulating station equipment	369		
Communication equipment	370	-------	New account.
Other equipment	371	1355	Other transmission system equipment.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
GAS PLANT ACCOUNTS—Continued			GAS PLANT ACCOUNTS—Continued
5. Distribution Plant			*5. Distribution Plant*
A. City Gate and Main Line Industrial Measuring and Regulating Station Plant			
Land and land rights	1356.1	374	Land and land rights.
Structures and improvements	1356.2	375	Structures and improvements.
Measuring and regulating station equipment	1356.3	379	Measuring and regulating station equipment—city gate check stations.
B. General Distribution System Plant			
Land and land rights	1357	374	Land and land rights.
Structures and improvements	1358	375	Structures and improvements.
Mains	1359	376	Mains.
Pumping and regulating equipment	1360	377	Compressor station equipment.
		378	Measuring and regulating station equipment—general.
Services	1361	380	Services.
Meters and regulators	1362	381	Meters.
		382	Meter installations.
		383	House regulators.
		384	House regulator installations.
Other property on customers' premises	1366	385	Industrial measuring and regulating station equipment.
		386	Other property on customers' premises.
Other distribution equipment	1368	387	Other equipment.
6. General Plant			*6. General Plant*
Land and land rights	1370	389	Land and land rights.
Structures and improvements	1371	390	Structures and improvements.
Office furniture and equipment	1372	391	Office furniture and equipment.
Transportation equipment	1373	392	Transportation equipment.
Stores equipment	1374	393	Stores equipment.
Shop equipment	1375	394	Tools, shop, and garage equipment.
Laboratory equipment	1376	395	Laboratory equipment.
Tools and work equipment	1377	394	Tools, shop, and garage equipment.
Communication equipment	1378	397	Communication equipment.
Miscellaneous equipment	1379	398	Miscellaneous equipment.
Other tangible property	1390	399	Other tangible property.
Gas plant purchased	1391	102	Gas plant purchased or sold.
Gas plant sold	1392		
EARNED SURPLUS ACCOUNTS			EARNED SURPLUS
Credits:			
Earned surplus (at beginning of period)	1271	216	Unappropriated earned surplus (at beginning of period).
Credit balance transferred from income account	1400	433	Balance transferred from income.
Miscellaneous credits to surplus	1401	434	Miscellaneous credits to surplus.
Debits:			
Debit balance transferred from income account	1410	433	Balance transferred from income.
Dividend appropriations—preferred stock	1411	437	Dividends declared—preferred stock.
Dividend appropriations—common stock	1412	438	Dividends declared—common stock.
Miscellaneous reservations of surplus	1413	436	Appropriations of surplus.
Miscellaneous debits to surplus	1414	435	Miscellaneous debits to surplus.
Earned surplus (at end of period)	1271	216	Unappropriated earned surplus (at end of period).

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
GAS PLANT ACCOUNTS—Continued			GAS PLANT ACCOUNTS—Continued
5. Distribution Plant			*5. Distribution Plant*
Land and land rights	374	1356.1	Land and land rights.
		1357	Land and land rights.
Structures and improvements	375	1356.2	Structures and improvements.
		1358	Structures and improvements.
Mains	376	1359	Mains.
Compressor station equipment	377	1360	Pumping and regulating equipment.
Measuring and regulating station equipment—general.	378		
Measuring and regulating station equipment—city gate check stations.	379	1356.3	Measuring and regulating station equipment.
Services	380	1361	Services.
Meters	381	1362	Meters and regulators.
Meter installations	382		
House regulators	383		
House regulator installations	384		
Industrial measuring and regulating station equipment.	385	1366	Other property on customers' premises.
Other property on customers' premises	386		
Other equipment	387	1368	Other distribution equipment.
6. General Plant			*6. General Plant*
Land and land rights	389	1370	Land and land rights.
Structures and improvements	390	1371	Structures and improvements.
Office furniture and equipment	391	1372	Office furniture and equipment.
Transportation equipment	392	1373	Transportation equipment.
Stores equipment	393	1374	Stores equipment.
Tools, shop and garage equipment	394	1375	Shop equipment.
		1377	Tools and work equipment.
Laboratory equipment	395	1376	Laboratory equipment.
Power operated equipment	396		New account.
Communication equipment	397	1378	Communication equipment.
Miscellaneous equipment	398	1379	Miscellaneous equipment.
Other tangible property	399	1390	Other tangible property.
(In the system of accounts effective Jan. 1, 1961, the earned surplus accounts are included with the income accounts. See below.)			

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
INCOME ACCOUNTS			INCOME ACCOUNTS
1. Utility Income			*1. Utility Operating Income*
Operating revenues	1501	400	Operating revenues.
Operating revenue deductions:			Operating expenses:
Operating expenses	1502	401	Operation expense.
		402	Maintenance expense.
Depreciation	1503.1	403	Depreciation and depletion expense.
Amortization and depletion of producing natural gas land and land rights.	1503.2		
Amortization of other limited-term gas investments.	1504	404	Amortization of limited-term gas plant.
Amortization of gas plant acquisition adjustments.	1505	406	Amortization of gas plant acquisition adjustments.
Property losses chargeable to operations	1506	407.1	Amortization of property losses.
Taxes	1507	408	Taxes other than income taxes.
		409	Income taxes.
Provisions for deferred Federal income taxes	1507A	410	Provision for deferred income taxes.
Taxes on income deferred in prior years—credit	1507B	411	Income taxes deferred in prior years—credit.
Income from gas plant leased to others:	1508	412, 413	Income from gas plant leased to others.
Revenues from gas plant leased to others	1508.1	412	Revenues from gas plant leased to others.
Expenses of gas plant leased to others	1508.2	413	Expenses of gas plant leased to others.
Other utility operating income	1509	414	Other utility operating income.
2. Other Income			*2. Other Income*
Income from merchandising, jobbing, and contract work.	1520	415, 416	Income from merchandising, jobbing and contract work.
Revenues from merchandising, jobbing, and contract work.	1520.1	415	Revenues from merchandising, jobbing, and contract work.
Costs and expenses of merchandising, jobbing, and contract work.	1520.2	416	Costs and expenses of merchandising, jobbing, and contract work.
Income from nonutility operations	1521	417	Income from nonutility operations.
Revenues from lease of other physical property	1522	418	Nonoperating rental income.
Dividend revenues	1523	419	Interest and dividend income.
Interest revenues	1524		
Revenues from sinking and other funds	1525		
Miscellaneous nonoperating revenue	1526	421	Miscellaneous nonoperating income.
Nonoperating revenue deductions	1527	----	Deleted.
3. Income Deductions			*3. Miscellaneous Income Deductions*
			4. Interest Charges
Interest on long-term debt	1530	427	Interest on long-term debt.
Amortization of debt discount and expense	1531	428	Amortization of debt discount and expense.
Amortization of premium on debt—credit	1532	429	Amortization of premium on debt—credit.
Taxes assumed on interest	1533	431	Other interest expense.
Interest on debt to associated companies	1534	430	Interest on debt to associated companies.
Other interest charges	1535	431	Other interest expense.
Interest charged to construction—credit	1536	432	Interest charged to construction—credit.
Miscellaneous amortization	1537	425	Miscellaneous amortization.
Miscellaneous income deductions	1538	426	Other income deductions.
4. Disposition of Net Income			
Miscellaneous reservations of net income	1540	----	Deleted.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
INCOME ACCOUNTS			INCOME ACCOUNTS
1. Utility Operating Income			*1. Utility Income*
Operating revenues	400	1501	Operating revenues.
Operating expenses:			Operating revenue deductions:
Operation expense	401	1502	Operating expenses.
Maintenance expense	402		
Depreciation and depletion expense	403	1503.1	Depreciation.
		1503.2	Amortization and depletion of producing natural gas land and land rights.
Amortization of limited-term gas plant	404	1504	Amortization of other limited-term gas investments.
Amortization of other gas plant	405		New account.
Amortization of gas plant acquisition adjustments.	406	1505	Amortization of gas plant acquisition adjustments.
Amortization of property losses	407.1	1506	Property losses chargeable to operations.
Amortization of conversion expenses	407.2		New account.
Taxes other than income taxes	408	1507	Taxes.
Income taxes	409		
Provision for deferred income taxes	410	1507A	Provisions for deferred Federal income taxes.
Income taxes deferred in prior years—credit	411	1507B	Taxes on income deferred in prior years—credit.
Income from gas plant leased to others:	412, 413	1508	Income from gas plant leased to others:
Revenues from gas plant leased to others	412	1508.1	Revenues from gas plant leased to others.
Expenses of gas plant leased to others	413	1508.2	Expenses of gas plant leased to others.
Other utility operating income	414	1509	Other utility operating income.
2. Other Income			*2. Other Income*
Income from merchandising, jobbing, and contract work.	415, 416	1520	Income from merchandising, jobbing, and contract work.
Revenues from merchandising, jobbing, and contract work.	415	1520.1	Revenues from merchandising, jobbing, and contract work.
Costs and expenses of merchandising, jobbing, and contract work.	416	1520.2	Costs and expenses of merchandising, jobbing and contract work.
Income from nonutility operations	417	1521	Income from nonutility operations.
Nonoperating rental income	418	1522	Revenues from lease of other physical property.
Interest and dividend income	419	1523	Dividend revenues.
		1524	Interest revenues.
		1525	Revenues from sinking and other funds.
Miscellaneous nonoperating income	421	1526	Miscellaneous nonoperating revenues.
3. Miscellaneous Income Deductions			*3. Income Deductions*
Miscellaneous amortization	425	1537	Miscellaneous amotization.
Other income deductions	426	1538	Miscellaneous income deductions.
4. Interest Charges			
Interest on long-term debt	427	1530	Interest on long-term debt.
Amortization of debt discount and expense	428	1531	Amortization of debt discount and expense.
Amortization of premium on debt—credit	429	1532	Amortization of premium on debt—credit.
Interest on debt to associated companies	430	1534	Interest on debt to associated companies.
Other interest expense	431	1533	Taxes assumed on interest.
		1535	Other interest charges.
Interest charged to construction—credit	432	1536	Interest charged to construction—credit.
5. Earned Surplus			*Earned Surplus Accounts*
Unappropriated earned surplus (at beginning of period).	216	1271	Earned surplus (at beginning of period).
Balance transferred from income	433	1400	Credit balance transferred from income accounts.
		1410	Debit balance transferred from income account.
Miscellaneous credits to surplus	434	1401	Miscellaneous credits to surplus.
Miscellaneous debits to surplus	435	1414	Miscellaneous debits to surplus.
Appropriations of surplus	436	1413	Miscellaneous reservations of surplus.
Dividends declared—preferred stock	437	1411	Dividend appropriations—preferred stock.
Dividends declared—common stock	438	1412	Dividend appropriations—common stock.
Unappropriated earned surplus (at end of period)	216	1271	Earned surplus (at end of period).

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING REVENUE ACCOUNTS			OPERATING REVENUE ACCOUNTS
1. Gas Service Revenues			*1. Sales of Gas*
Residential sales	1600	480	Residential sales.
Commerical sales	1602.1	481	Commerical and industrial sales.
Industrial sales	1602.2		
Public street and highway lighting	1603		Deleted.
Other sales to public authorities	1604		Deleted.
Sales to other gas utilities	1605	483	Sales for resale.
Interdepartmental sales	1607	484	Interdepartmental sales.
Other sales	1608		Deleted.
2. Other Gas Revenues			*2. Other Operating Revenues*
Rent from gas property	1610	493	Rent from gas property.
Interdepartmental rents	1611	494	Interdepartmental rents.
Customers' forfeited discounts and penalties	1612	487	Forfeited discounts.
Servicing of customers installations	1614	488	Miscellaneous service revenues.
Revenue from transportation of gas of others	1615	489	Revenues from transportation of gas of others.
Sales of products extracted from natural gas	1616	490	Sales of products extracted from natural gas.
Revenues from natural gas processed by others	1617	491	Revenues from natural gas processed by others.
Incidental gasoline sales	1618.1	492	Incidental gasoline and oil sales.
Incidental oil sales	1618.2		
Miscellaneous gas revenues	1619	495	Other gas revenues.
OPERATING EXPENSE ACCOUNTS			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS
1. Production Expenses			*1. Manufactured Gas Production*
A. Manufactured Gas Production			
Operation:			Operation:
Operation supervision and engineering	1701	700	Operation supervision and labor.
Operation labor	1702		
Boiler fuel	1708	701	Fuel.
Water	1709	703	Operation supplies and expenses.
Fuel under retorts	1710	701	Fuel.
Fuel under coke ovens	1711		
Producer gas fuel	1712		
Fuel for liquefied petroleum gas processes	1713		
Coal carbonized in retorts	1714.1		
Coal carbonized in coke ovens	1714.2		
Water gas generator fuel	1715		
Oil for water gas	1716	702	Raw materials.
Gas enricher	1717		
Liquefied petroleum gas	1718		
Oil for oil gas	1719		
Raw materials for other gas processes	1720		
Purification supplies	1721	703	Operation supplies and expenses.
Miscellaneous works expenses	1722		(Various, see accounts effective Jan. 1, 1961.)
Maintenance:			Maintenance:
Maintenance supervision and engineering	1723	706	Maintenance of production plant.
Maintenance of structures and improvements	1724		
Maintenance of production plant equipment	1725		
Miscellaneous:			
Power from other sources	1728	703	Operation supplies and expenses.
Rents	1729	705	Rents.
Residuals produced—credit	1730.1	705	Residuals produced—credits.
Residuals expenses	1730.2		
Joint expenses—debit	1731.1		Deleted.
Joint expenses—credit	1731.2		Deleted.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
OPERATING REVENUE ACCOUNTS			OPERATING REVENUE ACCOUNTS
1. Sales of Gas			*1. Gas Service Revenues*
Residential sales	480	1600	Residential sales.
Commercial and industrial sales	481	1602.1	Commercial sales.
		1602.2	Industrial sales.
Sales for resale	483	1605	Sales to other gas utilities.
Interdepartmental sales	484	1607	Interdepartmental sales.
2. Other Operating Revenues			*2. Other Gas Revenues*
Forfeited discounts	487	1612	Customers' forfeited discounts and penalties.
Miscellaneous service revenues	488	1614	Servicing of customers' installations.
Revenues from transportation of gas of others	489	1615	Revenue from transportation of gas of others.
Sales of products extracted from natural gas	490	1616	Sales of products extracted from natural gas.
Revenues from natural gas processed by others	491	1617	Revenues from natural gas processed by others.
Incidental gasoline and oil sales	492	1618.1	Incidental gasoline sales.
		1618.2	Incidental oil sales.
Rent from gas property	493	1610	Rent from gas property.
Interdepartmental rents	494	1611	Interdepartmental rents.
Other gas revenues	495	1619	Miscellaneous gas revenues.
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS			OPERATING EXPENSE ACCOUNTS
1. Manufactured Gas Production			*A. Manufactured Gas Production*
Operation:			Operation:
Operation supervision and labor	700	1701	Operation supervision and engineering.
		1702	Operation labor.
Fuel	701	1708	Boiler fuel.
		1710	Fuel under retorts.
		1711	Fuel under coke ovens.
		1712	Producers gas fuel.
		1713	Fuel for liquefied petroleum gas processes.
		1714.1	Coal carbonized in retort.
		1714.2	Coal carbonized in coke ovens.
		1715	Water gas generator fuel.
Raw materials	702	1716	Oil for water gas.
		1717	Gas enricher.
		1718	Liquefied petroleum gas.
		1719	Oil for oil gas.
		1720	Raw materials for other gas processes.
Operation supplies and expenses	703	1709	Water.
		1721	Purification supplies.
		1728	Power from other sources.
Residuals produced—credit	704	1730.1	Residuals produced—credit.
		1730.2	Residuals expenses.
Rents	705	1729	Rents.
Maintenance:			Maintenance:
Maintenance of production plant	706	1723	Maintenance supervision and engineering.
		1724	Maintenance of structures and improvements.
		1725	Maintenance of production plant equipment.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING EXPENSE ACCOUNTS—Con.			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.
B1. Natural Gas Production and Gathering			*2. Natural Gas Production and Gathering*
Operation:			Operation:
Operation supervision and engineering	1733.1	710	Operation supervision and labor.
Operation labor	1733.2		
Operating supplies and expenses	1733.3	711	Compressor station fuel and power.
Production maps and records	1733.4	713	Other supplies and expenses.
Maintenance:			Maintenance:
Maintenance supervision and engineering	1734.1	--------	(Various, see following accounts.)
Maintenance of structures and improvements	1734.2	719	Maintenance of other plant.
Maintenance of wells, lines, and equipment	1734.4	716	Maintenance of gas wells.
		717	Maintenance of field lines.
		719	Maintenance of other plant.
Miscellaneous:			
Gas well royalties	1735.1	714	Gas well royalties.
Natural gas rents	1735.2	715	Rents.
Joint expenses—debit	1735.3	--------	Deleted.
Joint expenses—credit	1735.4	--------	Deleted.
B2. Products Extraction			
Operation:			
Operation supervision and engineering	1736.1	712	Extracted products supplies and expenses (see note in account explanation).
Operation labor	1736.2		
Gas shrinkage and fuel	1736.3		
Operating supplies and expenses	1736.6		
Maintenance:			
Maintenance supervision and engineering	1737.1	718	Maintenance of products extraction plant.
Maintenance of products extraction plant	1737.2		
Miscellaneous:			
Products purchased for sale	1738.1	712	Extracted products supplies and expenses (see note in account explanation).
Miscellaneous products extraction expenses	1738.2		
Joint expenses—debit	1738.7	--------	Deleted.
Joint expenses—credit	1738.8	--------	Deleted.
B3. Exploration and Development			*3. Exploration and Development*
Delay rentals	1739.1	720	Delay rentals.
Nonproductive well drilling	1739.2	721	Nonproductive well drilling.
Abandoned leases	1739.3	722	Abandoned leases.
Other exploration costs	1739.4	723	Other exploration.
C. Other Gas Supply Expenses			*4. Other Gas Supply Expenses*
Operation:			Operation:
Purchased gas	1745	730	Natural gas purchases.
		731	Other gas purchases.
Purchased gas expenses	1746	732	Purchased gas expenses.
Gas withdrawn from underground storage—debit.	1747.1	733	Gas withdrawn from underground storage—debit.
Gas delivered to underground storage—credit	1747.2	734	Gas delivered to underground storage—credit.
Gas used in utility operations—credit	1748	735	Gas used in utility operations—credit.
Other gas supply expenses	1749	736	Other gas supply expenses.
Joint expenses—debit	1750	--------	Deleted.
Joint expenses—credit	1751	--------	Deleted.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.			OPERATING EXPENSE ACCOUNTS—Con.
2. Natural Gas Production and Gathering			*B1. Natural Gas Production and Gathering*
Operation:			Operation:
Operation supervision and labor	710	1733.1	Operation supervision and engineering.
		1733.2	Operating labor.
Compressor station fuel and power	711	1733.4	Production maps and records.
		1733.3	Operating supplies and expenses.
Extracted products supplies and expenses (see note in account explanation).	712	1736.1	Operation supervision and engineering.
		1736.2	Operation labor.
		1736.3	Gas shrinkage and fuel.
		1736.6	Operating supplies and expenses.
		1738.1	Products purchased for resale.
		1738.2	Miscellaneous products extraction expenses.
Other supplies and expenses	713	1733.1	Operation supervision and engineering.
		1733.3	Operating supplies and expenses.
		1733.4	Production maps and records.
Gas well royalties	714	1735.1	Gas well royalties.
Rents	715	1735.2	Natural gas rents.
Maintenance:			Maintenance;
Maintenance of gas wells	716	1734.4	Maintenance of wells, lines, and equipment.
Maintenance of field lines	717		
Maintenance of products extraction plant	718	1737.1	Maintenance supervision and engineering.
		1737.2	Maintenance of products extraction plant.
Maintenance of other plant	719	1734.2	Maintenance of structures and improvements.
		1734.4	Maintenance of wells, lines and equipment.
3. Exploration and Development			*B3. Exploration and Development*
Delay rentals	720	1739.1	Delay rentals.
Nonproductive well drilling	721	1739.2	Nonproductive well drilling.
Abandoned leases	722	1739.3	Abandoned leases.
Other exploration	723	1739.4	Other exploration costs.
4. Other Gas Supply Expenses			*C. Other Gas Supply Expenses*
Operation:			Operation:
Natural gas purchases	730	1745	Purchased gas.
Other gas purchases	731		
Purchased gas expenses	732	1746	Purchased gas expenses.
Gas withdrawn from underground storage—debit.	733	1747.1	Gas withdrawn from underground storage—debit.
Gas delivered to underground storage—credit	734	1747.2	Gas delivered to underground storage—credit.
Gas used in utility operations—credit	735	1748	Gas used in utility operations—credit.
Other gas supply expenses	736	1749	Other gas supply expenses.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING EXPENSE ACCOUNTS—Con.			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.
2. Storage Expenses			*5. Storage Expenses*
A. Underground Storage			
Operation:			
Operation supervision and engineering	1755.1	740	Operation supervision and labor.
Operation labor	1755.2		
Operation supplies and expenses	1755.3	742	Operation supplies and expenses.
Nonoperative storage well drilling	1755.4		
Storage maps and records	1755.5	740	Operation supervision and labor.
Maintenance:			
Maintenance supervision and engineering	1756.1	745	Maintenance of wells.
Maintenance of structures and improvements	1756.2	746	Maintenance of other underground storage plant.
Maintenance of storage wells, lines, and equipment.	1756.3		
Miscellaneous:			
Underground gas storage rents	1757.1	743	Storage well royalties.
Joint expenses—debit	1757.2		Deleted.
Joint expenses—credit	1757.3		Deleted.
B. Local Storage			
Operation:			
Operation supervision and engineering	1758.1	740	Operation supervision and labor.
Operation labor	1758.2		
Operation supplies and expenses	1758.3	742	Operation supplies and expenses.
Maintenance:			
Maintenance supervision and engineering	1758.4	747	Maintenance of local storage plant.
Maintenance of structures and improvements	1758.5		
Maintenance of local storage equipment	1758.6		
Miscellaneous:			
Local storage rents	1758.9	744	Rents.
Joint expenses—debit	1758.10		Deleted.
Joint expenses—credit	1758.11		Deleted.
3. Transmission Expenses			*6. Transmission Expenses*
Operation:			Operation:
Operation supervision and engineering	1759.1	750	Operation supervision and labor.
System operation	1759.2	751	Compressor station fuel and power.
		752	Operation supplies and expenses.
Maintenance:			Maintenance:
		755	Maintenance of mains.
System maintenance	1760	756	Maintenance of compressor station equipment.
		757	Maintenance of other plant.
Miscellaneous:			
Rents	1761.1	754	Rents.
Transmission and compression of gas by others	1761.2	753	Transmission and compression of gas by others.
Joint expenses—debit	1761.3		Deleted.
Joint expenses—credit	1761.4		Deleted.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.			OPERATING EXPENSE ACCOUNTS—Con.
5. Storage Expenses			*2. Storage Expenses*
Operation:			Operation:
		1755.1	Operation supervision and engineering.
		1755.2	Operation labor.
Operation supervision and labor	740	1755.5	Storage maps and records.
		1758.1	Operation supervision and engineering.
		1758.2	Operation labor.
Gas losses	741		New account.
		1755.3	Operation supplies and expenses.
Operation supplies and expenses	742	1755.4	Nonoperative storage well drilling.
		1758.3	Operation supplies and expenses.
Storage well royalties	743	1757.1	Underground gas storage rents.
Rents	744	1758.9	Local storage rents.
Maintenance:			Maintenance:
Maintenance of wells	745	1756.1	Maintenance supervision and engineering.
Maintenance of other underground storage plant.	746	1756.2	Maintenance of structures and improvements.
		1756.3	Maintenance of storage wells, lines and equipment.
		1758.4	Maintenance supervision and engineering.
Maintenance of local storage plant	747	1758.5	Maintenance of structures and improvements.
		1758.6	Maintenance of local storage equipment.
6. Transmission Expenses			*3. Transmission Expenses*
Operation:			Operation:
Operation supervision and labor	750	1759.1	Operation supervision and engineering.
Compressor station fuel and power	751	1759.2	System operation.
Operation supplies and expenses	752		
Transmission and compression of gas by others	753	1761.2	Transmission and compression of gas by others.
Rents	754	1761.1	Rents.
Maintenance:			Maintenance:
Maintenance of mains	755	1760	System maintenance.
Maintenance of compressor station equipment	756		
Maintenance of other plant	757		

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING EXPENSE ACCOUNTS—Con.			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.
4. Distribution Expenses			*7. Distribution Expenses*
A. City Gas and Main Line Industrial Measuring and Regulating Station Expenses			
Operation:			
Operation of city gate and main line industrial measuring and regulating stations	1764.1	760 761 762	Supervision. Mains and services labor. Mains and services supplies and expenses.
Maintenance:			
Maintenance of city gate and main line industrial measuring and regulating stations	1764.4	767 768 769	Maintenance of lines. Maintenance of meters and house regulators. Maintenance of other plant.
Miscellaneous:			
Rents	1764.7	766	Rents.
Joint expenses—debit	1764.8	-------	Deleted.
Joint expenses—credit	1764.9	-------	Deleted.
B. General Distribution Expenses			
Operation:			
Operation supervision and office expenses	1765	760	Supervision.
Operation of distribution lines	1767	761 762	Mains and services labor. Mains and services supplies and expenses.
Operation of meters	1768	763	Meter and house regulator expenses.
Operation of industrial measuring and regulating stations	1769.1	764	Customer installations expenses.
Services on customers' premises	1760.2		
Operation of other distribution equipment	1770	765	Miscellaneous distribution expenses.
Maintenance:			
Maintenance supervision and engineering	1771	767 768 769	Maintenance of lines. Maintenance of meters and house regulators. Maintenance of other plant.
Maintenance of structures and improvements	1772	769	Maintenance of other plant.
Maintenance of distribution lines	1773	767 768	Maintenance of lines. Maintenance of meters and house regulators.
Maintenance of other distribution equipment	1774	769	Maintenance of other plant.
Miscellaneous:			
Rents	1776	766	Rents.
Joint expenses—debit	1777.1	-------	Deleted.
Joint expenses—credit	1777.2	-------	Deleted.
6. Customers' Accounting and Collecting Expenses			*8. Customer Accounts Expenses*
Operation:			Operation:
Meter reading, accounting, and collecting	1779	901 902 903	Meter reading labor. Accounting and collecting labor. Supplies and expenses.
Uncollectible accounts	1783	904	Uncollectible accounts.
Rents	1784	-------	Deleted.
6. Sales Promotion Expenses			*9. Sales Expenses*
Sales promotion expenses	1785	910	Sales expenses.
Rents	1788	-------	Deleted.
Merchandising, jobbing, and contract work	1789	914 915	Revenues from merchandising, jobbing, and contract work. Costs and expenses of merchandising, jobbing, and contract work.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.			OPERATING EXPENSE ACCOUNTS—Con.
7. Distribution Expenses			*4. Distribution Expenses*
Operation:			Operation:
Supervision	760	1764.1 1765	Operation of city gate and main line industrial measuring and regulating stations. Operation supervision and office expenses.
Mains and services labor	761	1764.1	Operation of city gate and main line industrial measuring and regulating stations.
Mains and services supplies and expenses	762	1767	Operation of distribution lines.
Meter and house regulator expenses	763	1768	Operation of meters.
Customer installations expenses	764	1769.1	Operation of industrial measuring and regulating stations.
		1760.2	Services on customers' premises.
Miscellaneous distribution expenses	765	1770	Operation of other distribution equipment.
Rents	766	1764.7 1776	Rents. Rents.
Maintenance:			Maintenance:
		1764.4	Maintenance of city gate and main line industrial measuring and regulating stations.
Maintenance of lines	767	1771	Maintenance supervision and engineering.
Maintenance of meters and house regulators	768	1772	Maintenance of structures and improvements.
Maintenance of other plant	769	1773	Maintenance of distribution lines.
		1774	Maintenance of other distribution equipment.
8. Customer Accounts Expenses			*5. Customers' Accounting and Collecting Expenses*
Operation:			Operation:
Meter reading labor	901		
Accounting and collecting labor	902	1779	Meter reading, accounting and collecting.
Supplies and expenses	903		
Uncollectible accounts	904	1783	Uncollectible accounts.
9. Sales Expenses			*6. Sales Promotion Expenses*
Operation:			Operation:
Sales expenses	910	1785	Sales promotion expenses.
Revenues from merchandising, jobbing, and contract work.	914	1789	Merchandising, jobbing, and contract work.
Costs and expenses of merchandising, jobbing, and contract work.	915		

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Natural Gas Companies effective Jan. 1, 1940, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1940, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1940		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING EXPENSE ACCOUNTS—Con.			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.
7. Administrative and General Expenses			*10. Administrative and General Expenses*
General office salaries	1790	920	Administrative and general salaries.
General office supplies and expenses	1793	921	Office supplies and other expenses.
Management and supervision fees and expenses	1794	923	Outside services employed.
Special legal services	1796		
Regulatory commission expenses	1797	928	Regulatory commission expenses.
Insurance	1798	924	Property insurance.
Injuries and damages	1799	925	Injuries and damages.
Other general expenses	1800	926	Employee pension and benefit.
		930	Miscellaneous general expenses.
Maintenance of general property	1802	935	Maintenance of general plant.
Rents	1803	931	Rents.
Franchise requirements	1805	927	Franchise requirements.
Duplicate miscellaneous charges—credit	1806	929	Duplicate charges—credit.
Administrative and general expenses transferred—credit.	1807	922	Administrative expenses transferred—credit.
Joint expenses—debit	1808	-------	Deleted.
Joint expenses—credit	1809	-------	Deleted.
Clearing Accounts			
Charges by associated companies—clearing	1901	-------	Deleted. See account 183.
Stores expenses—clearing	1902	-------	Deleted. See account 183.
Transportation expenses—clearing	1903	933	Transportation expenses. (May be used as a clearing account.)

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1940

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1940	
Account title	No.	No.	Account title
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.			OPERATING EXPENSE ACCOUNTS—Con.
10. Administrative and General Expenses			*7. Administrative and General Expenses*
Administrative and general salaries	920	1790	General office salaries.
Office supplies and other expenses	921	1793	General office supplies and expenses.
Administrative expenses transferred—credit	922	1807	Administrative and general expenses transferred—credit.
Outside services employed	923	1794	Management and supervision fees and expenses.
		1796	Special legal services.
Property insurance	924	1798	Insurance.
Injuries and damages	925	1799	Injuries and damages.
Employee pensions and benefits	926	1800	Other general expenses.
Franchise requirements	927	1805	Franchise requirements.
Regulatory commission expenses	928	1797	Regulatory commission expenses.
Duplicate charges—credit	929	1806	Duplicate miscellaneous charges—credit.
Miscellaneous general expenses	930	1800	Other general expenses.
Rents	931	1803	Rents.
Transportation expenses (may be used as a clearing account).	933	1903	Transportation expenses—clearing.
Maintenance of general plant	935	1802	Maintenance of general property.

APPENDIX B—UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR NATURAL GAS COMPANIES SUBJECT TO THE PROVISIONS OF THE NATURAL GAS ACT (CLASS C)

Definitions

When used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Actually issued," as applied to securities issued or assumed by the utility, means those which have been sold to bona fide purchasers for a valuable consideration, those issued as dividends on stock and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.

3. "Actually outstanding," as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility; provided, however, that securities held by trustees shall be considered as actually outstanding.

4. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

5. A. "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.

B. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trust, associated companies, contract or any other direct or indirect means.

6. "Book cost" means the amount at which property is recorded in these accounts without deduction of related provisions for accrued depreciation, depletion, amortization, or for other purposes.

7. "Commission" means the Federal Power Commission.

8. "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of common stock in a merger or a pooling of interest, the value of such consideration shall be determined on a cash basis.

9. "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing gas plant, including the cost of transportation and handling incidental thereto.

10. "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

11a. "Depletion," as applied to natural gas producing land and land rights, means the loss in service value incurred in connection with the exhaustion of the natural resource in the course of service.

11b. "Depreciation," as applied to depreciable gas plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities, and, in the case of natural gas companies, the exhaustion of natural resources.

12. "Discount" as applied to the securities issued or assumed by the utility, means the excess of the par (stated value of no-par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

13. "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

14. "Minor items of property" means the associated parts or items of which retirement units are composed.

15. "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.

16. "Natural gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.

17. "Net salvage value" means the salvage value of property retired less the cost of removal.

18. "Nominally issued," as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued direct to trustees of sinking funds in accordance with contractual requirements.

19. "Nominally outstanding," as applied to securities issued or assumed by the utility, means those which, after being actually issued, have been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired: *Provided, however,* That securities held by trustees shall be considered as actually outstanding.

20. "Original cost," as applied to gas plant, means the cost of such property to the person first devoting it to public service.

21. "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

22. "Premium," as applied to securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face value and interest or dividends accrued at the date of sale.

23. "Property retired," as applied to gas plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from service.

24. "Replacing" or "replacement," when not otherwise indicated in the context, means the construction or installation of gas plant in place of property retired, together with the removal of the property retired.

25. "Retirement units" means those items of gas plant which, when retired, with or without replacement, are accounted for by crediting the book cost thereof to the gas plant account in which included.

26. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

27. "Service life" means the time between the date gas plant is includible in gas plant in service, or gas plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.

28. "Service value" means the difference between original cost and net salvage value of gas plant.

29. "Utility," as used herein and when not otherwise indicated in the context, means any natural gas company to which this system of accounts is applicable.

General Instructions

1. *Classification of Utilities.*

A. For the purpose of applying systems of accounts prescribed by the Commission, natural gas companies are divided into four classes, as follows:

Class A. Natural gas companies having annual gas operating revenues of $2,500,000 or more.

Class B. Natural gas companies having annual gas operating revenues of $1,000,000 or more but less than $2,500,000.

Class C. Natural gas companies having annual gas operating revenues of $150,000 or more but less than $1,000,000.

Class D. Natural gas companies having annual gas operating revenues of $25,000 or more but less than $150,000.

B. This system of accounts applies to Class C utilities. Those applicable to Classes A and B and to Class D utilities are issued separately.

C. The class to which any utility belongs shall originally be determined by the average of its annual gas operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual gas operating revenues of the classification previously applicable to the utility.

D. Any utility may, at its option, adopt the system of accounts prescribed by the Commission for any larger class of utilities.

2. *Records.*

A. Each utility shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

B. The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

C. No utility shall destroy any such books or records unless the destruction thereof is permitted by rules and regulations of the Commission.

D. In addition to prescribed accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any account, may be kept, provided the integrity of the prescribed accounts is not impaired.

E. All amounts included in the accounts prescribed herein for gas plant and operating expenses shall be just and reasonable and any payments or accruals for by the utility in excess of just and reasonable charges shall be included in account 426, Other Income Deductions.

F. The arrangement or sequence of the accounts prescribed herein shall not be controlling as to the arrangement or sequence in report forms which may be prescribed by the Commission.

3. *Numbering System.*

A. The account numbering plan used herein consists of a system of three-digit whole numbers as follows:

100–199	Assets and other debits.
200–299	Liabilities and other credits.
300–399	Plant accounts.
400–439	Income accounts.
480–499	Revenue accounts.
700–799	Production, transmission and distribution expenses.
900–949	Customer accounts, sales and general administrative expenses.

B. In certain instances, numbers have been skipped in order to allow for possible later expansion or to permit better coordination with the numbering system for other utility departments.

C. The numbers prefixed to account titles are to be considered as part of the titles. Each utility, however, may adopt for its own purposes a different system of account numbers (See also general instruction 2D) provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts and in the various sources of original entry; however, if a utility uses a different group of account numbers and it is not practicable to show the prescribed account numbers in the various sources of original entry, such reference to the prescribed account numbers may be omitted from the various sources of original entry. Moreover, each utility using different account numbers for its own purposes shall keep readily available a list of such account numbers which it uses and a reconciliation of such account numbers with the account numbers provided herein. It is intended that the utility's records shall be so kept as to permit ready analysis by prescribed accounts (by direct reference to sources of original entry to the extent practicable) and to permit preparation of financial and operating statements directly from such records at the end of each accounting period according to the prescribed accounts.

4. *Accounting Period.*

Each utility in Class C shall keep its books on a monthly basis so that for each accounting period all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Commission.

5. *Submittal of Questions.*

To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the Commission for consideration and decision.

6. *Item Lists.*

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

7. *Accounting To Be on Accrual Basis.*

A. The utility is required to keep its accounts on the accrual basis. This requires the inclusion in its accounts of all known transactions of appreciable amount which affect the accounts. If bills covering such transactions have not been received or rendered, the amounts shall be estimated and appropriate adjustments made when the bills are received.

B. When payments are made in advance for items such as insurance, rents, taxes, or interest, the amount applicable to future periods shall be charged to account 165, Prepayments, and spread over the periods to which applicable by credits to account 165, and charges to the accounts appropriate for the expenditure.

8. *Distribution of Pay and Expenses of Employees.*

The charges to gas plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

9. *Payroll Distribution.*

Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various accounts will be readily available. Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labor charged initially to clearing accounts so that the total labor cost may be classified among construction, cost of removal, gas operating functions (production, storage, transmission, distribution, etc.) and nonutility operations.

10. *Operating Reserves.*

Accretions to operating reserve accounts made by charges to operating expenses shall not exceed a reasonable provision for the expense. Material balances in such reserve accounts shall not be diverted from the purpose for which provided unless the permission of the Commission is first obtained.

11. *Accounting for Other Departments.*

If the utility also operates other utility departments, such as electric, water, etc., it shall keep such accounts for the other departments as may be prescribed by proper authority and in the absence of prescribed accounts, it shall keep such accounts as are proper or necesary to reflect the results of operating each such department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized.

12. *Gas Well Records.*

Each utility with natural gas operations shall maintain operating or accounting records for each well showing (a) acreage on which drilled, (b) dates of drilling period, (c) cost of drilling, (d) depth of well, (e) particulars and depth of each stratum drilled through, (f) geological formation from which gas is obtained, (g) initial rock pressure and open flow capacity, (h) sizes of casing used and lengths of each size, (i) total cost of well as recorded in gas plant accounts, (j) date well abandoned, for wells once productive, (k) date transferred to underground storage plant, for wells converted to storage use, and (l) date drilling discontinued, for wells determined to be nonproductive. The foregoing data, as appropriate, shall also be maintained for each subsequent change in the depth of each well.

Gas Plant Instructions

1. *Gas Plant To Be Recorded at Cost.*

A. All amounts included in the accounts for gas plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other gas plant shall be included in the accounts at the cost incurred by the utility. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this paragraph.

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. (See, however, definition 8.) In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

C. When property is purchased under a plan involving deferred payments, no charge shall be made to the gas plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

D. Gas plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the gas plant accounts at cost of construction, estimated if not known. There shall be credited to the accounts for accumulated depreciation, depletion and amortization the estimated amount of depreciation and amortization applicable to the property at the time of its contribution to the utility. The difference between the amounts included in the gas plant accounts and the accumulated depreciation, depletion and amortization shall be credited to account 271, Contributions in Aid of Construction.

2. *Components of Construction Cost.*

The cost of construction of property chargeable to the gas plant accounts shall include, where applicable, the cost of labor, materials and supplies, transportation, work done by others for the utility, injuries and damages incurred in construction work, privileges and permits, special machine service, interest during construction and such portion of general engineering, administrative salaries and expenses, insurance, taxes and other analogous items as may be properly includible in construction costs.

3. *Overhead Construction Costs.*

A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.

B. As far as practicable, the determination of payroll charges includible in construction overheads shall be based on timecard distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

4. *Gas Plant Purchased or Sold.*

A. When gas plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effective date of this system of accounts, the costs of acquisition, including expenses incidental thereto properly includible in utility plant, shall be charged to account 102, Gas Plant Purchased or Sold.

B. The accounting for the acquisition shall then be completed as follows:

(1) The original cost of plant, estimated if not known, shall be credited to account 102, Gas Plant Purchased or Sold, and concurrently charged to the appropriate utility plant in service accounts and to account 104, Gas Plant Leased to Others, account 105, Gas Plant Held for Future Use, and account 107, Construction Work in Progress—Gas, as appropriate.

(2) The depreciation, depletion and amortization applicable to the original cost of the properties purchased, shall be charged to account 102, Gas Plant Purchased or Sold, and concurrently credited to the account for accumulated provision for depreciation, depletion and amortization.

(3) The cost to the utility of any property includible in account 121, Nonutility Property, shall be transferred thereto.

(4) The amount of contributions in aid of construction applicable to the property acquired shall be charged to account 102, Gas Plant Purchased or Sold, and concurrently credited to account 271, Contributions in Aid of Construction, unless otherwise authorized by the Commission.

(5) The amount remaining in account 102, Gas Plant Purchased or Sold, shall then be closed to account 114, Gas Plant Acquisition Adjustments.

C. If property acquired in the purchase of an operating unit or system is in such physical condition when acquired that it is necessary substantially to rehabilitate it in order to bring the property up to the standards of the utility, the cost of such work, except replacements, shall be accounted for as a part of the purchase price of the property.

D. When any property acquired as an operating unit or system includes duplicate or other plant which will be retired by the accounting utility in the reconstruction of the acquired property or its consolidation with previously owned property, the proposed accounting for such property shall be presented to the Commission.

E. In connection with the acquisition of gas plant constituting an operating unit or system, the utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records in conformity with regulations or practices governing the preservation of records of its own construction.

F. When gas plant constituting an operating unit or system is sold, conveyed, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate gas plant accounts, including amounts carried in account 114, Gas Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provision for depreciation, depletion, and amortization and in account 252, Customer Advances for Construction, and account 271, Contributions in Aid of Construction, shall be charged to such accounts and the contra entries made to account 102, Gas Plant Purchased or Sold. Unless otherwise ordered by the Commission, the difference, if any, between (a) the net amount of debits and credits and (b) the consideration received for the property (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus. (See account 102, Gas Plant Purchased or Sold.)

NOTE: In cases where existing utilities merge or consolidate because of financial or operating reasons or statutory requirements rather than as a means of transferring title of purchased properties to a new owner, the accounts of the constituent utilities, with the approval of the Commission, may be combined. In the event original cost has not been determined, the resulting utility shall proceed to determine such cost as outlined herein.

5. *Expenditures on Leased Property.*

A. The cost of substantial initial improvements (including repairs, rearrangements, additions and betterments) made in the course of preparing for utility service property leased for a period of more than one year, and the cost of subsequent substantial additions, replacements, or betterments to such property, shall be charged to the gas plant account appropriate for the class of property leased. If the service life of the improvements is terminable by action of the lease, the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to account 404, Amortization of Limited-Term Gas Plant. However, if the service life is not terminated by action of the lease but by depreciation proper, the cost of the improvements, less net salvage, shall be accounted for as depreciable plant.

B. If improvements made to property leased for a period of more than one year are of relatively minor cost, or if the lease is for a period of not more than one year, the cost of the improvements shall be charged to the account in which the rent is included, either directly or by amortization thereof.

6. *Land and Land Rights.*

A. The accounts for land and land rights shall include the cost of land

owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, rights of way, natural gas rights, and other like interests in land.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

C. The net profit from the sale of timber, cord wood, or other property acquired with rights of way or other lands shall be credited to the appropriate land and land rights or clearing land account. Where land is held for a considerable period of time and timber on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the timber) from the sales of timber or its products shall be credited to account 421, Miscellaneous Nonoperating Income.

D. Separate entries shall be made for the acquisition, transfer or retirement of each parcel of land, and each land right (except rights of way for distribution lines), or water right, having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition.

E. Any difference between the amount received from the sale of land or land rights, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate, unless a reserve therefor has been authorized and provided. Appropriate adjustments of the accounts shall be made with respect to any structures or improvements located on land sold.

F. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to utility operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

G. When the purchase of land for gas operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 105, Gas Plant Held for Future Use, or account 121, Nonutility Property, as appropriate. Regarding land and land rights held for the production of natural gas, account 101, Gas Plant in Service shall include (1) the cost of lands owned in fee upon which producing natural gas wells are located or land owned in fee which are being drained through the operation by the utility of wells on the other land, and (2) the first cost of lands held under lease upon which the utility pays royalties for the natural gas obtained therefrom. The cost of all other land and land rights held for the production of natural gas under a definite plan for such use shall be included in account 105, Gas Plant Held for Future Use.

NOTE: In addition to the accounting records prescribed herein, supplemental records of land and land rights held for future use shall be kept in such manner as to permit the segregation within a reasonable time of the land and land rights constituting (1) productive but nonproducing fields, (2) unproven or undeveloped fields, and (3) storage fields, and to show the following data with respect to each natural gas lease, regardless of the accounting treatment accorded the lease costs: (a) name of lessor, (b) location of leasehold and number of other identification assigned thereto, (c) date and period of lease agreement, (d) first cost of lease including details of the elements of such cost, (e) annual rental provisions, (f) date and cost of drilling, (g) date gas determined to exist, (h) date of completion of first well drilled by the utility in each pool of gas, (i) royalty provisions, (j) amortization and depletion provisions, and (k) date of abandonment of lease.

H. Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land, so as to apportion equitably the cost of each interest over the life thereof. For the purposes of amortization of natural gas rights, separate intersts in land which comprise an interest in a production area may be grouped to form a depletion unit. (See account 403, Depreciation and Depletion Expense, and account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant, for the accounting for depletion of producing natural gas lands and land rights. See also account 722, Abandoned Leases, for the accounting for abandonments of natural gas leases which have never been productive.)

I. The items of cost to be included in the accounts for land and land rights are as follows:

1. Bulkheads, buried, not requiring maintenance or replacement.
2. Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
3. Clearing (first cost) the land of brush, trees, and debris.
4. Condemnation proceedings, including court and counsel costs.
5. Consents and abutting damages, payment for.
6. Conveyancers' and notaries' fees.
7. Fees, commissions, and salaries to brokers, agents and others in connection with the acquisition of the land or land rights.
8. Grading the land, except when directly occasioned by the building of a structure.
9. Leases, cost of voiding upon purchase to secure possession of land.
10. Removing, relocating, or reconstructing property of others such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
11. Retaining walls unless identified with structures.
12. Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.
13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
14. Taxes assumed, accrued to date of transfer of title.
15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
16. Appraisals prior to closing title.
17. Cost of dealing with distributees or legatees residing outside of the State or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of State tax.
18. Filing satisfaction of mortgage.
19. Documentary stamps.
20. Photographs of property at acquisition.
21. Fees and expenses incurred in the acquisition of water rights and grants.
22. Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.
23. Sidewalks and curbs constructed by the utility on public property.
24. Labor and expenses in connection with securing rights of way, where performed by company employees and company agents.

7. Structures and Improvements.

A. The accounts for structures and improvements shall include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to land.

B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of any item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

C. Minor buildings and structures shall be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly when the nature of the structure and facility indicates the correctness of such accounting.

D. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

E. The cost of disposing of materials excavated in connection with construction of structures shall be considered as a part of the cost of such work, except as follows: (a) When such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) When such material is sold, the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.

F. Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration shall not be included in the cost of the building but in the appropriate equipment account.

G. The items of cost to be included in the accounts for structures and improvements are as follows:

1. Architects' plans and specifications including supervision.
2. Athletic field structures and improvements.
3. Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and air conditioning systems, plumbing, vacuum cleaning systems, incinerator and smoke pipe, flues, etc.
4. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
5. Coal bins and bunkers.
6. Commissions and fees to brokers, agents, architects and others.
7. Conduit (not to be removed) with its contents.
8. Damages to abutting property during construction.
9. Drainage and sewerage systems.
10. Elevators, cranes, hoists, etc., and the machinery for operating them.
11. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdam during construction, test borings.
12. Fences and fence curbs (not including protective fences isolating items of equipment, which shall be charged to the appropriate equipment account).
13. Fire protection systems when forming a part of a structure.
14. Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.
15. Grading and clearing when directly occasioned by the building of a structure.
16. Intrasite communication system, poles, pole fixtures, wires and cables.
17. Landscaping, lawns, shrubbery, etc.
18. Leases, voiding upon purchase to secure possession of structures.
19. Leased property, expenditures on.
20. Lighting fixtures and outside lighting system.
21. Painting, first cost.
22. Permanent paving, concrete, brick, flagstone, asphalt, etc., within the property lines.
23. Permits and privileges.
24. Platforms, railings and gratings when constructed as a part of a structure.
25. Retaining walls except when identified with land.
26. Roadways, railroads, bridges, and trestles intrasite, except railroads provided for in equipment accounts.
27. Sidewalks, culverts, curbs and streets constructed by the utility on its property.
28. Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steel work of a building.
29. Storage facilities constituting a part of a building.
30. Subways, areaways, and tunnels, directly connected to and forming part of a structure.
31. Tanks, constructed as part of a building or as a distinct structural unit.
32. Temporary shanties and other facilities used during construction (net cost).
33. Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
34. Vaults constructed as part of a building.
35. Water basins or reservoirs.
36. Wharves.

NOTE: Structures and Improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

8. *Equipment.*

A. The cost of equipment chargeable to the gas plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.

B. Exclude from equipment accounts hand and other portable tools, which are likely to be lost or stolen or which have relatively small value (for example, $50 or less) or short life, unless the correctness of the accounting therefor as gas plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores," shall be charged to the plant account appropriate for their use.

C. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building and which cannot be removed without cutting into the walls, ceilings or floors or without in some way impairing the building, shall be included in the building accounts.

D. The equipment accounts shall include the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The utility shall furnish the Commission with full particulars of and justification for any test or experimental run extending beyond a period of thirty days.

E. The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate gas plant account.

9. *Additions and Requirements of Gas Plant.*

A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall use such list of retirement units as is in use by it at the effective date hereof or as may be prescribed by the Commission, with the option, however, of using smaller units, provided the utility's practice in this respect is consistent.

B. The addition and retirement of retirement units shall be accounted for as follows:

(1) When a retirement unit is added to gas plant, the cost thereof shall be added to the appropriate gas plant account, except that when units are acquired in the acquisition of any gas plant constituting an operating system, they shall be accounted for as provided in gas plant instruction 4.

(2) When a retirement unit is retired from gas plant, with or without replacement, the book cost thereof shall be credited to the gas plant account in which it is included, determined in the manner set forth in paragraph D, below. If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to gas plant shall be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account.

C. The addition and retirement of minor items of property shall be accounted for as follows:

(1) When a minor item of property which did not previously exist is added to plant, the cost thereof shall be accounted for in the same manner as for the addition of a retirement unit, as set forth in paragraph B(1), above, if a substantial addition results, otherwise the charge shall be to the appropriate maintenance expense account.

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the gas plant account in which it is included; and, in the event the minor item is a part of depreciable plant, the account for accumulated provision for depreciation shall be charged with the book cost and cost of

removal and credited with the salvage. If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(3) When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate gas plant account.

D. The book cost of gas plant retired shall be the amount at which such property is included in the utility plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units required.

E. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any accumulated provision for depreciation, depletion or amoritization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate. If the land is not used in utility service but is retained by the utility, the book cost shall be charged to account 105, Gas Plant Held for Future Use, or account 121, Nonutility Property, as appropriate.

F. The book cost less net salvage of gas plant retired shall be charged in its entirety to account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant. Any amounts which, by approval or order of the Commission, are charged to account 182, Extraordinary Property Losses, shall be credited to account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant.

10. *Transfers of Property.*

When property is transferred from one gas plant account to another, from one utility department to another, such as from gas to electric, from one operating division or area to another, to or from Gas Plant in Service, Gas Plant Leased to Others, Gas Plant Held for Future Use, and Nonutility Property, the transfer shall be recorded by transferring the original cost thereof from one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provision for depreciation, depletion or amortization shall be transferred in accordance with the segregation of such accounts.

11. *Common Utility Plant.*

A. If the utility is engaged in more than one utility service such as electric, gas, and water, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such a manner that it is impracticable to segregate it by utility services currently in the accounts, such property, with the approval of the Commission, may be designated and classified as "common utility plant."

B. The book amount of utility plant designated as common plant shall be included in account 118, Other Utility Plant, and if applicable in part to gas department, shall be segregated and accounted for in subaccounts as gas plant is accounted for in accounts 101 to 107, inclusive, and gas plant adjustments in account 116; any amounts classifiable as common plant acquisition adjustments or common plant adjustments shall be subject to disposition as provided in paragraph C and B of accounts 114 and 116, respectively, for amounts classified in those accounts. The original cost of common utility plant in service shall be classified according to detailed utility plant accounts appropriate for the property.

C. The utility shall be prepared to show at any time and to report to the Commission annually, or more frequently, if required, and by utility plant accounts (301 to 399) the following: (1) the book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

D. The accumulated provision for depreciation and amortization of the utility shall be segregated so as to show the amount applicable to the property classified as common utility plant.

E. The expenses of operation, maintenance, rents, depreciation, and amortization of common utility plant shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the common utility plant shall be supported in such manner as to reflect readily the basis of allocation used.

12. *Transmission and Distribution Plant.*

For the purposes of this system of accounts:

A. "Transmission System" means the land, structures, mains, valves, meters, boosters, regulators, tanks, compressors and their driving units and appurtenances, and other equipment used primarily for transmitting gas from a production plant, delivery point of purchased gas, gathering system, storage area, or other wholesale source of gas, to one or more distribution areas. The transmission system begins at the outlet side of the valve at the connection to the last equipment in a manufactured gas plant, the connection to gathering lines or delivery point of purchased gas, and includes the equipment at such connection that is used to bring the gas to transmission pressure, and ends at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system or into a storage area. It does not include storage land, structures or equipment. Pipe line companies, however, shall include city gate and main line industrial measuring and regulating stations in the transmission function, except that where pipe line companies measure deliveries of gas to their own distribution systems they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purposes of this system of accounts.

B. "Distribution System" means the mains which are provided primarily for distributing gas within a distribution area, together with land, structures, valves, regulators, services and measuring devices, including the mains for transportation of gas from production plants or points of receipt located within such distribution area to other points therein. The distribution system begins at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system and ends with and includes property on the customer's premises. It does not include storage land, structures, or equipment.

C. "Distribution Area" as used herein means a metropolitan area or other urban area comprising one or more adjacent or nearby cities, villages or unincorporated areas, including developed areas contiguous to main highways.

Operating Expense Instructions

1. *Maintenance.*

A. The cost of maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads and other expenses incurred in maintenance work. A list of work operations applicable generally to utility plant is included hereunder. Other work operations applicable to specific classes of plant are listed in functional maintenance expense accounts.

B. Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

C. If the book cost of any property is carried in account 102, Gas Plant Purchased or Sold, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other gas plant in service accounts. Maintenance of property leased from others shall be treated as provided in operating expense instruction 2.

ITEMS

1. Direct field supervision of maintenance.
2. Inspecting, testing, and reporting on condition of plant specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have been made.
3. Work performed specifically for the purpose of preventing failure, restoring serviceability or maintaining life of plant.
4. Rearranging and changing the location of plant not retired.
5. Repairing for reuse materials recovered from plant.

6. Testing for, locating and clearing trouble.
7. Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.
8. Replacing or adding minor items of plant which do not constitute a retirement unit. (See gas plant instruction 9.)

2. *Rents.*

A. The rent expense accounts provided under the several functional groups of expense accounts shall include all rents, including taxes paid by the lessee on leased property, for property used in utility operations, except (1) minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be includible in plant accounts 391 to 398, inclusive, which shall be treated as an expense item and included in the appropriate functional account and (2) rents which are chargeable to clearing accounts, and distributed therefrom to the appropriate account. If rents cover property used for more than one function, such as production and transmission, or by more than one department, the rents shall be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.

B. When a portion of property or equipment rented from others for use in connection with utility operations is subleased, the revenue derived from such subleasing shall be credited to the rent revenue account in operating revenues; provided, however, that in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

C. The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

D. The cost incurred by the lessee of additions and replacements to gas plant leased from others shall be accounted for as provided in gas plant instruction 5.

Balance Sheet Accounts

ASSETS AND OTHER DEBITS

1. UTILITY PLANT

101 Gas plant in service.
102 Gas plant purchased or sold.
103 Gas plant in process of reclassification.
104 Gas plant leased to others.
105 Gas plant held for future use.
107 Construction work in progress—Gas.
110 Accumulated provision for depreciation, depletion, and amortization of gas plant.
114 Gas plant acquisition adjustments.
116 Other gas plant adjustments.
118 Other utility plant.
119 Accumulated provision for depreciation and amortization of other utility plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.
122 Accumulated provision for depreciation and amortization of nonutility property.
124 Other investments.
125 Special funds.

3. CURRENT AND ACCRUED ASSETS

131 Cash and working funds.
132 Temporary cash investments.
141 Notes receivable.
142 Customer accounts receivable.
143 Other accounts receivable.
144 Accumulated provision for uncollectible accounts—Cr.
145 Notes receivable from associated companies.
146 Accounts receivable from associated companies.
150 Materials and supplies.
164 Gas stored underground.
165 Prepayments.
170 Other current and accrued assets.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.
182 Extraordinary property losses.
183 Other deferred debits.

LIABILITIES AND OTHER CREDITS

5. PROPRIETARY CAPITAL

201 Common capital stock.
204 Preferred capital stock.
207 Other paid-in capital.
212 Installments received on capital stock.
213 Discount on capital stock.
214 Capital stock expense.
215 Appropriated earned surplus.
216 Unappropriated earned surplus.
217 Reacquired capital stock.

6. LONG-TERM DEBT

221 Bonds.
223 Advances from associated companies.
224 Other long-term debt.

7. CURRENT AND ACCRUED LIABILITIES

231 Notes payable.
232 Accounts payable.
233 Notes payable to associated companies.
234 Accounts payable to associated companies.
235 Customer deposits.
236 Taxes accrued.
237 Interest accrued.
238 Other current and accrued liabilities.

8. DEFERRED CREDITS

251 Unamortized premium on debt.
252 Customer advances for construction.
253 Other deferred credits.

9. OPERATING RESERVES

261 Property insurance reserve.
262 Injuries and damages reserve.
263 Pensions and benefits reserve.
265 Miscellaneous operating reserves.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

11. ACCUMULATED DEFERRED INCOME TAXES

281 Accumulated deferred income taxes—Accelerated amortization.
282 Accumulated deferred income taxes—Liberalized depreciation.
283 Accumulated deferred income taxes—Other.

Balance Sheet Accounts

1. UTILITY PLANT

101 Gas plant in service.

A. This account shall include the original cost of gas plant, included in the plant accounts prescribed herein, owned and used by the utility in its gas operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees.

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be maintained in subdivisions separate and distinct from those relating to owned property. (See gas plant instruction 5.)

102 Gas plant purchased or sold.

A. This account shall be charged with the cost of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts in accordance with gas plant instruction 4.

B. Within six months from the date of acquisition or sale of property recorded herein, there shall be filed with the Commission the proposed journal entries to clear from this account the amounts recorded herein.

103 Gas plant in process of reclassification.

A. This account shall include temporarily the balance of gas plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the gas plant accounts herein prescribed (301–399), but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified gas plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

104 Gas plant leased to others.

A. This account shall include the original cost of gas plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts (301–399) prescribed for gas plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

105 Gas plant held for future use.

A. This account shall include the original cost of property owned and held for future use in gas service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in gas service, but held for such service in the future under a definite plan, and property previously used by the utility in utility service, but retired from such service and held pending its reuse in the future, under a definite plan, in gas service. This includes land and land rights held to insure a future supply of natural gas.

B. The property included in this account shall be classified according to the detailed accounts (301–399) prescribed for gas plant in service and the account

shall be maintained in such detail as though the property were in service.

NOTE A: Materials and supplies, meters and transformers held in reserve, or normal spare capacity of plant in service shall not be included in this account.

NOTE B: Include in this account natural gas wells shut in after construction which have not been connected with the line; also, natural gas wells which have been connected with the line but which are shut in for any reason excepting seasonal excess capacity or governmental proration requirements or for repairs.

107 Construction work in progress—Gas.

This account shall include the total of the balances of work orders for utility plant in process of construction but not ready for service at the date of the balance sheet.

110 Accumulated provision for depreciation, depletion and amortization of gas plant.

A. This account shall be credited with the following:

(1) Amounts charged to account 403, Depreciation and Depletion Expense, to account 404, Amortization of Limited-Term Gas Plant, to account 405, Amortization of Other Gas Plant, to account 413, Expenses of Gas Plant Leased to Others, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or to clearing accounts for currently accruing depreciation, depletion, and amortization.

(2) Amounts charged to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation, depletion or amortization.

(3) Amounts of depreciation, depletion or amortization applicable to gas properties acquired as operating units or systems. (See gas plant instruction 4.)

(4) Amounts chargeable to account 182, Extraordinary Property Losses, when authorized by the Commission.

(5) Amounts of depreciation applicable to gas plant donated to the utility.

B. At the time of retirement of gas plant, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirements, cost of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate subaccount hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

C. For general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for depreciation. The account shall be subdivided to show the amount, applicable to Gas Plant in Service, Gas Plant Leased to Others, and Gas Plant Held for Future Use. These subsidiary records shall show the current credits and debits to this account in sufficient detail to show separately for each subdivision, (1) the amount of accrual for depreciation or amortization, (2) the book cost of property retired, (3) cost of removal, (4) salvage and (5) other items, including recoveries from insurance. The utility also shall maintain subsidiary records in accordance with these provisions for accumulated depletion and amortization provisions for natural gas lands and land rights in service.

D. When transfers of plant made from one gas plant account to another, or from or to nonutility property, the accounting shall be as provided in gas plant instruction 10.

E. The utility is restricted in its use of the accumulated provision for depreciation, depletion and amortization to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission.

114 Gas plant acquisition adjustments.

A. This account shall include the difference between (a) the cost to the accounting utility of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provision for depreciation, depletion and amortization and contributions in aid of construction with respect to such property.

B. With respect to acquisitions after the effective date of this system of accounts, this account shall be subdivided so as to show the amounts included herein for each property acquisition and to gas plant in service, gas plant held for future use and gas plant leased to others. (See gas plant instruction 4.)

C. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may approve or direct.

116 Other gas plant adjustments.

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of gas plant to the extent that such difference is not properly includible in account 114, Gas Plant Acquisition Adjustments.

B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of gas plant.

118 Other utility plant.

This account shall include the balance in accounts for utility plant, other than gas plant, such as electric, railway, etc.

119 Accumulated provision for depreciation and amortization of other utility plant.

This account shall include the accumulated provision for depreciation and amortization applicable to utility property other than gas plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.

A. This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 105, Gas Plant Held for Future Use.

B. This account shall be subdivided so as to show the amount of property used in operations which are nonutility in character but nevertheless constitute a distinct operating activity of the company (such as operation of an ice department where such activity is not classed as a utility) and the amount of miscellaneous property not used in operations. The records in support of each subaccount shall be maintained so as to show an appropriate classification of the property.

122 Accumulated provision for depreciation and amortization of nonutility property.

This account shall include the accumulated provision for depreciation and amortization applicable to nonutility property.

124 Other investments.

A. This account shall include the book cost of investments in securities issued or assumed by other companies, investment advances to such companies, and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

B. The cost of capital stock of the utility reacquired by it under a definite plan for resale pursuant to authorization by the Board of Directors may, if permitted by statutes, be included in a separate subdivision of this account. (See also account 207, Other Paid-in Capital, and account 217, Reacquired Capital Stock.)

C. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

NOTE A: Securities owned and pledged shall be included in this account, but securities held in special deposits or in special funds shall be included in appropriate deposit or fund accounts. A complete record of securities pledged shall be maintained.

NOTE B: Securities held as temporary cash investments shall not be included in this account.

NOTE C: The utility may write down the cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded but a permanent impairment in the value of securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to account 435, Miscellaneous Debits to Surplus, or to an appropriate account for provisions for loss in value established as a separate subdivision of this account.

125 Special funds.

This account shall include the amount of cash and book cost of investments

which have been segregated in special funds for bond retirements, property additions and replacements, insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

NOTE: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall not be included in this account.

3. CURRENT AND ACCRUED ASSETS

Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are made therefor. There shall not be included in the group of accounts designated as current and accrued assets any item, the amount or collectibility of which is not reasonably assured, unless an adequate provision for possible loss has been provided. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

131 Cash and working funds.

This account shall include the amount of cash on hand and in banks and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

NOTE: Special deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 125, Special Funds.

132 Temporary cash investments.

A. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

141 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, excepting, however, notes receivable from associated companies. (See account 132, Temporary Cash Investments, and account 145, Notes Receivable from Associated Companies.)

NOTE: The face amount of notes receivable, discounted, sold, or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142 Customer accounts receivable.

A. This account shall include amounts due from customers for utility service, and for merchandising, jobbing and contract work. This account shall not include amounts due from associated companies.

B. This account shall be maintained so as to permit ready segregation of the amounts due for merchandising, jobbing and contract work.

143 Other accounts receivable.

A. This account shall include amounts due the utility upon open accounts, other than amounts due from associated companies and from customers for utility services and merchandising, jobbing and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See account 131, Cash and Working Funds.)

144 Accumulated provision for uncollectible accounts—Cr.

A. This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 904, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-offs of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

Utility Customers.
Merchandising, Jobbing and Contract Work.
Officers and Employees.
Other.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B: If provisions for uncollectible notes receivable or for uncollectible receivables from associated companies are necessary, separate subaccounts therefor shall be established under the account in which the receivable is carried.

145 Notes receivable from associated companies.

146 Accounts receivable from associated companies.

A. These accounts shall include notes and drafts upon which associated companies are liable, and which mature and are expected to be paid in full not later than one year from date of issue, together with any interest thereon, and debit balances subject to current settlement in open accounts with associated companies. Items which do not bear a specified due date but which have been carried for more than twelve months and items which are not paid within twelve months from due date shall be transferred to account 124, Other Investments.

NOTE A: On the balance sheet, accounts receivable from an associated company may be set off against accounts payable to the same company.

NOTE B: The face amount of notes receivable discounted, sold or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

150 Materials and supplies.

A. This account shall include the cost of fuel on hand and unapplied materials and supplies (except meters and house regulators). It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance, or accumulated depreciation provision, respectively, and included herein as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.

(2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

(3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realized therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative average, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

C. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged.

ITEMS

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customs duties and excise taxes.
4. Costs of inspection and special tests prior to acceptance.
5. Insurance and other directly assignable charges.

NOTE A: Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account and distributed therefrom to the appropriate account.

NOTE B: When materials and supplies are purchased for immediate use, they need not be carried through this account but may be charged directly to the appropriate gas plant or expense account.

164 Gas stored underground.

A. This account shall include the cost of gas purchased or produced by the utility which is stored in depleted or partially depleted gas or oil fields, or other underground reservoirs, and held for use in meeting service requirements of the utility's customers.

B. Gas stored during the year shall be priced at cost according to generally accepted methods of cost determination consistently applied from year to year. Transmission expenses for facilities of the utility used in moving the gas to the storage area and expenses of storage facilities shall not be included in the inventory of gas except as may be authorized or directed by the Commission.

C. Withdrawals of gas may be priced according to the first-in-first-out, last-in-first-out, or weighted average cost method, in connection with which a "base stock" may be employed provided the method adopted by the utility is used consistently from year to year and the inventory records are maintained in accordance therewith. Approval of the Commission must be obtained for any other pricing method, or change in the pricing method adopted by the utility.

D. Amounts debited to this account for gas placed in storage shall be credited to account 734, Gas Delivered to Underground Storage—Credit. Amounts credited to this account for gas withdrawn from storage shall be debited to account 733, Gas Withdrawn from Underground Storage—Debit.

E. Adjustments for inventory losses due to cumulative inaccuracies of gas measurements, or from other causes, shall be charged to account 741, Gas Losses. In the operation of storage projects the utility shall maintain such procedures of verification as will disclose and result in prompt accounting recognition of significant losses.

NOTE A: The utility at balance sheet dates shall reduce this account by such significant amount as does not represent a current asset according to conventional rules of current asset classification. Such reduction shall be offset by a special account, Gas Stored Underground—Noncurrent, to be reported in the balance sheet among other accounts under the caption for utility plant.

NOTE B: If with respect to any storage reservoir, the utility determines that a portion of the stored gas included in this account will not eventually be fully recovered, it may submit for consideration of the Commission, a plan to create a reserve to provide for such anticipated gas losses.

165 Prepayments.

A. This account shall include the amount of rents, taxes, insurance, interest and like disbursements made in advance of the period to which they apply. As the periods covered by such prepayments expire, credit this account and charge the proper operating expense or other account with the amount applicable to the period.

B. This account shall be kept or supported in such manner as to disclose the amount of each class of prepayments.

170 Other current and accrued assets.

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.

A. This account shall include the total of the unamortized balance of discount and expense for all classes of long-term debt.

B. The discount and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be charged to account 428, Amortization of Debt Discount and Expense. The utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

182 Extraordinary property losses.

A. When authorized or directed by the Commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provision for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all, or a portion of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Commission for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges, and other pertinent information.

183 Other deferred debits.

A. This account shall include the following classes of items:

(1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plant. If the work is abandoned, the charge shall be to account 435, Miscellaneous Debits to Surplus, or to the appropriate operating expense accounts.

(2) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of acquiring land and land rights to provide a future supply of natural gas. If such land or land rights are acquired, this account shall be credited and the appropriate gas plant account (see gas plant instruction 6G) charged with the amount of expenditures related to such acquisition. Such preliminary survey and investigation charges transferred to gas plant shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to gas plant. If the project is abandoned, the expenditures related thereto shall be charged to account 723, Other Exploration.

(3) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

(4) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

(5) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein. The records supporting entries for preliminary natural gas surveys and investigations shall be so kept that the utility can furnish, for each investigation, complete information as to identification and location of the territory investigated, the number or other identification assigned to the land tract or leasehold acquired, and the nature and respective amounts of the charges.

LIABILITIES AND OTHER CREDITS

5. PROPRIETARY CAPITAL

201 Common capital stock.

204 Preferred capital stock.

A. These accounts shall include the par value or the stated value of stock without par value if such stock has a stated value, and if not, the cash value of the consideration received for such nonpar stock, of each class of capital stock actually issued, including the par or stated value of such capital stock in account 124, Other Investments, and account 217, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more or less than the par or stated value of any stock having a par or stated value, the difference shall be credited or debited, as the case may be, to the premium or discount account for the particular class and series.

C. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

NOTE: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment shall be credited to account 207, Other Paid-In Capital; provided, however, that the credit shall be made to account 213, Discount on Capital Stock, to the extent of any remaining balance of discount on the issue of stock.

207 Other paid-in capital.

This account shall include the balance of all other credits for paid-in capital not includible in the capital stock accounts, and shall be kept so as to show the source of the credits includible herein.

ITEMS

1. Premium received on original issues of capital stock.
2. Donations received from stockholders or reduction of debt of the utility, and the cash value of other assets received as a donation.
3. Reduction in par or stated value of capital stock.
4. Gain on resale or cancellation of reacquired capital stock.
5. Miscellaneous paid-in capital.

NOTE: Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expense of another issue of the same class or series.

212 Installments received on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan for subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and the appropriate capital stock account credited with the par or stated value of such stock. Any discount or premium on an original issue shall be included in the appropriate discount or premium account.

213 Discount on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock all discount on the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues.

B. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital: *Provided, however,* That the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock discount in whole or in part to account 435, Miscellaneous Debits to Surplus.

214 Capital stock expense.

A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital, to the extent of gains on resale or cancellation of reacquired stock includible therein: *Provided, however,* That the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207, from such source.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

NOTE: Expenses in connection with the reacquisition or resale of the utility's capital stock shall not be included herein.

215 Appropriated earned surplus.

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216 Unappropriated earned surplus.

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include items includible in any subaccount of account 207, Other Paid-In Capital.

217 Reacquired capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock, the cost of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is retired or canceled, the difference between its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 207, Other Paid-In Capital, provided, however, that debits shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that they exceed the balance of gains on resale or cancellation of reacquired stock included in account 207.

C. When reacquired capital stock is resold by the utility, the difference between the amount received on the resale of the stock, less expenses incurred in the resale, and the cost of the stock included in this account shall be accounted for as outlined in paragraph B.

NOTE A: See account 124, Other Investments, for permissive accounting treatment of stock reacquired under a definite plan for resale.

NOTE B: The accounting for reacquired stock shall be as prescribed herein unless otherwise specifically required by statute.

6. LONG-TERM DEBT

221 Bonds.

A. Separate accounts shall be maintained hereunder for unmatured bonds of each class and series. Each such account shall be subdivided so as to show, (1) the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also, the face value of such bonds issued by others, the payment of which has been assumed by the utility, (2) the face value of bonds actually issued or assumed by the utility and reacquired by it, not paid, retired, or canceled. The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

B. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

223 Advances from associated companies.

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement which are includible in account 233, Notes Payable to Associated Companies, or account 234, Accounts Payable to Associated Companies.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

224 Other long-term debt.

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessments for public improvements, notes

and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt and other obligations maturing more than one year from date of issue or assumption.

B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

NOTE: Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedure set forth in account 221, Bonds.

7. CURRENT AND ACCRUED LIABILITIES

Current and accrued liabilities are those obligations which have either matured or which become due within one year from the date thereof; except, however, bonds, receivers' certificates and similar obligations which shall be classified as long-term debt until date of maturity; accrued taxes, such as income taxes, which shall be classified as accrued liabilities even though payable more than one year from date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities. If a liability is due more than one year from date of issuance or assumption by the utility, it shall be credited to a long-term debt account appropriate for the transaction, except, however, the current liabilities previously mentioned.

231 Notes payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than associated companies.

232 Accounts payable.

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

233 Notes payable to associated companies.

234 Accounts payable to associated companies.

These accounts shall include amounts owing to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open accounts payable on demand or not more than one year from date of issue or creation.

NOTE: Exclude from these accounts notes and accounts which are includible in account 223, Advances from Associated Companies.

235 Customer deposits.

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236 Taxes accrued.

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

C. Accruals for taxes shall be based upon the net amount payable after credit for any discounts and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

237 Interest accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

238 Other current and accrued liabilities.

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

ITEMS

1. Dividends declared but not paid.
2. Matured long-term debt.
3. Matured interest.
4. Taxes collected through pay roll deductions or otherwise pending transmittal to the proper taxing authority.

8. DEFERRED CREDITS

251 Unamortized premium on debt.

A. This account shall include the total of the unamortized balance of premium and expense for all classes of long-term debt, including receivers' certificates.

B. The premium and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be credited to account 429, Amortization of Premium on Debt—Credit.

252 Customer advances for construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

253 Other deferred credits.

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

9. OPERATING RESERVES

261 Property insurance reserve.

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

262 Injuries and damages reserve.

A. This account shall be credited with amounts charged to account 925, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property neither owned nor held under lease by the utility.

B. When liability for any injury or damage is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

NOTE: Recoveries or reimbursements for losses charged to this account shall be credited hereto; the cost of repairs to property of others if provided for herein, shall be charged to this account.

263 Pensions and benefits reserve.

A. This account shall include provisions made by the utility and amounts contributed by employees for pensions, accident and death benefits, savings, relief, hospital and other provident purposes, where the funds represented by the reserve are included in the assets of the utility either in general or in segregated fund accounts.

B. Amounts paid by the utility for the purposes for which this reserve is established shall be charged hereto.

C. A separate account shall be kept for each kind of reserve included herein.

NOTE: If employee pension or benefit plan funds are not included among the assets of the utility but are held by outside trustees, payments into such funds, or accruals therefor, shall not be included in this account.

265 Miscellaneous operating reserves.

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

NOTE: This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits for which should be carried in account 215, Appropriated Earned Surplus.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

A. This account shall include donations or contributions in cash, services, or property from states, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without the approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) states, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.

NOTE: There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. (See account 252, Customer Advances for Construction.)

11. ACCUMULATED DEFERRED INCOME TAXES

NOTE A: The text of accounts below are designed primarily to cover deferrals of Federal income taxes arising under provisions of the Internal Revenue Code of 1954 but the accounts are also applicable to deferrals of State taxes on income.

NOTE B: Natural Gas Companies which, in addition to a gas utility department, have another utility department, electric, water, etc., and which have deferred taxes on income with respect thereto shall classify such deferrals in the accounts provided below under subdivisions for each utility department.

281 Accumulated deferred income taxes—Accelerated amortization.

A. This account shall be credited and account 410, Provision for Deferred Income Taxes, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of accelerated (5-year) amortization of certified defense facilities in computing such taxes, as permitted by Section 168 of the Internal Revenue Code of 1954 (Section 124A of previous Internal Revenue Code), as compared to the depreciation (deduction) otherwise appropriate and allowable for tax purposes according to the straight line or other nonaccelerated depreciation method and appropriate estimated useful life for such property.

B. This account shall be debited and account 411, Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior year of accelerated (5-year) amoritization of certified defense facilities instead of nonaccelerated depreciation otherwise appropriate for income tax purposes, and deferral of taxes in such prior years as described in paragraph A, above. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable for the current year of the unavailability of a depreciation deduction for tax purposes, or a reduced amount, with respect to any depreciable property for which accelerated amortization was used in prior years, as compared to the depreciation deduction otherwise available and appropriate for such property, considering its estimated useful life; according to the depreciation method ordinarily used by the utility for similar property in computing depreciation for tax purposes by a nonaccelerated or nonliberalized depreciation method.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the facilities of each certification or authorization of accelerated amortization for tax purposes.

D. The use of this account and the accounting described above are not mandatory for any utility which, in accordance with a consistent policy, elects not to follow deferred tax accounting even though accelerated amortization is used in computing taxes on income. If, however, deferred tax accounting is initiated with respect to any certified defense facility, the accounting shall not be suspended or discontinued on the property covered by that certificate, without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in this account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining balance of accumulated deferred taxes with respect to any certified defense facility for which deferred tax accounting has been followed shall, upon expiration of the estimated useful life of the facility on which deferred tax calculations were based, or upon retirement from service of such facility or predominant part thereof, be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise be applied as the Commission may authorize or direct.

282 Accumulated deferred income taxes—Liberalized depreciation.

A. This account shall be credited and account 410, Provision for Deferred Income Taxes shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of liberalized depreciation in computing such taxes, as permitted by Section 167 of the Internal Revenue Code of 1954, as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes for similar property of the same estimated useful life according to the straight line or other nonliberalized method of depreciation.

B. This account shall be debited and account 411, Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of liberalized depreciation for income tax purposes, and deferral of taxes in such prior years as described in paragraph A above. Such debit to this account and credit to account 411, shall, in general, represent the effect on taxes payable for the current year of the smaller amount of depreciation permitted for tax purposes for the current year with respect to any depreciable property for which liberalized depreciation was used in prior years, as compared to the depreciation deduction otherwise appropriate and available for similar property of the same estimated useful life according to the straight line or other nonliberalized depreciation method ordinarily used by the utility in computing depreciation for tax purposes.

C. Records with respect to entries to this account, as described above, and account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the plant additions of each vintage year for each class, group, or unit as to which different liberalized depreciation methods and estimated useful lives have been used. The underlying calculations to segregate and associate deferred tax amounts with the respective vintage years may be based on reasonable methods of approximation, if necessary, consistently applied.

D. The use of this account and the accounting described above are not mandatory for any utility, which in accordance with a consistent policy, elects not to follow deferred tax accounting even though liberalized depreciation is used in computing taxes on income. If, however, deferred tax accounting is initiated with respect to any property, such accounting shall not be discontinued on that property without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining deferred tax reserve balance with respect to any year's plant additions or subdivisions thereof for which liberalized depreciation accounting has been followed or, upon retirement from service of such property or predominant portion thereof, or upon expiration of the estimated useful life on which the depreciation calculations for tax purposes are based, shall be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise applied as the Commission may authorize or direct.

283 **Accumulated deferred income taxes—Other.**

A. This account, when its use has been authorized by the Commission for specific types of tax deferrals, shall be credited and account 410, Provision for Deferred Taxes on Income, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the current use of deductions other than accelerated amortization or liberalized depreciation in the computation of income taxes, which deductions for general accounting purposes will not be fully reflected in the utility's determination of annual net income until subsequent years.

B. This account when its use has been authorized by the Commission, shall be debited and account 411, Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of deferral of taxes on income in previous years, as provided by paragraph A, above, because of difference in timing for tax purposes of particular income deductions from that recognized by the utility for general accounting purposes, other than with respect to accelerated amortization or liberalized depreciation. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable in the current year of the smaller deduction permitted for tax purposes as compared to the amount recognized in the utility's general accounts with respect to the item or class of items for which deferred tax accounting by the utility was authorized by the Commission.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation with respect to each annual amount of the item or class of items, other than accelerated amortization or liberalized depreciation, for which tax deferral accounting by the utility is authorized by the Commission.

D. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the accounts or any portion thereof to surplus or make any use thereof except as provided in the text of this account, without prior approval of the Commission. Any remaining deferred tax account balance with respect to an amount for any prior year's tax deferral, the amortization of which or other recognition in the utility's income accounts has been completed, or other disposition made, shall be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise disposed of as the Commission may authorize or direct.

NOTE: In determining appropriate use of this account as a basis of request to the Commission for authorization of its use, consideration shall be given to the relative importance of the amount involved, and to other items in the utility's accounts where "prepaid tax accounting" may be appropriate, such as situations (a) where the time of taking a deduction in computing taxes on income is such that the tax deduction must be delayed or applied to a series of future years as opposed to earlier recognition of such item in determination of income in the general accounts of the utility, or (b) where inclusion of an income item is required for tax purposes but is to be recognized in whole or in part in the utility's income accounts of a subsequent year or years.

Gas Plant Accounts

1. Intangible Plant

301 Organization.
302 Franchises and consents.
303 Miscellaneous intangible plant.

2. Production Plant

A. Manufactured gas production plant

304 Land and land rights.
305 Structures and improvements.
306 Boiler plant equipment.
307 Other power equipment.
308 Coke ovens.
309 Producer gas equipment.
310 Water gas generating equipment.
311 Liquefied petroleum gas equipment.
312 Oil gas generating equipment.
313 Generating equipment—other processes.
314 Coal, coke, and ash handling equipment.
315 Catalytic cracking equipment.
316 Other reforming equipment.
317 Purification equipment.
318 Residual refining equipment.
319 Gas mixing equipment.
320 Other equipment.

B. Natural Gas Production Plant

B 1. Natural gas production and gathering plant

325.1 Producing lands.
325.2 Producing leaseholds.
325.3 Gas rights.
325.4 Rights-of-way.
325.5 Other land and land rights.
326 Gas well structures.
327 Field compressor station structures.
328 Field measuring and regulating station structures.
329 Other structures.
330 Producing gas wells—Well construction.
331 Producing gas wells—Well equipment.
332 Field lines.
333 Field compressor station equipment.
334 Field measuring and regulating station equipment.
335 Drilling and cleaning equipment.
336 Purification equipment.
337 Other equipment.

B 2. Products extraction plant

340 Land and land rights.
341 Structures and improvements.
342 Extraction and refining equipment.
343 Pipe lines.
344 Extracted products storage equipment.
345 Compressor equipment.
346 Gas measuring and regulating equipment.
347 Other equipment.

3. Storage Plant

A. Underground storage plant

350.1 Land.
350.2 Leaseholds.
350.3 Storage rights.
350.4 Rights-of-way.
350.5 Gas rights.
351 Structures and improvements.
352 Wells.
353 Lines.
354 Compressor station equipment.
355 Measuring and regulating equipment.
356 Purification equipment.
357 Other equipment.

B. Local storage plant

360 Land and land rights.
361 Structures and improvements.
362 Gas holders.
363 Other equipment.

4. Transmission Plant

365.1 Land and land rights.
365.2 Rights-of-way.
366 Structures and improvements.
367 Mains.
368 Compressor station equipment.
369 Measuring and regulating station equipment.
370 Communication equipment.
371 Other equipment.

5. Distribution Plant

374 Land and land rights.
375 Structures and improvements.
376 Mains.
377 Compressor station equipment.
378 Measuring and regulating station equipment—General.
379 Measuring and regulating station equipment—City gate check stations.
380 Services.
381 Meters.
382 Meter installations.
383 House regulators.
384 House regulator installations.
385 Industrial measuring and regulating station equipment.
386 Other property on customers' premises.
387 Other equipment.

6. General Plant

389 Land and land rights.
390 Structures and improvements.
391 Office furniture and equipment.
392 Transportation equipment.
393 Stores equipment.
394 Tools, shop and garage equipment.
395 Laboratory equipment.
396 Power operated equipment.
397 Communication equipment.
398 Miscellaneous equipment.
399 Other tangible property.

Gas Plant Accounts

1. Intangible Plant

301 Organization.

This account shall include all fees paid to Federal or State governments for the privilege of incorporation and expenditures incident to organizing the corporation, partnership, or other enterprises and putting it into readiness to do business.

ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public utility business.
2. Fees and expenses for incorporation.
3. Fees and expenses for mergers or consolidations.
4. Office expenses incident to organizing the utility.
5. Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance, or sale of capital stock.

NOTE B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included herein or in similar accounts in the

books of the companies concerned shall be excluded from this account.

302 Franchises and consents.

A. This account shall include amounts paid to the Federal Government, to a State or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises.

B. If a franchise, consent, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 435, Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or to account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant, as appropriate.

D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

NOTE: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

303 Miscellaneous intangible plant.

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of the utility's gas operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant, as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

2. PRODUCTION PLANT

A. MANUFACTURED GAS PRODUCTION PLANT

304 Land and land rights.

This account shall include the cost of land and land rights used in connection with manufactured gas production. (See gas plant instruction 6.)

305 Structures and improvements.

This account shall include the cost of structures and improvements used in connection with manufactured gas production. (See gas plant instruction 7.)

NOTE: Include relief holders in this account.

306 Boiler plant equipment.

This account shall include the cost installed of furnaces, boilers, steam and feed water piping, boiler apparatus, and accessories used in the production of steam at gas production plants.

ITEMS

1. Accumulators.
2. Air preheaters, including fans and drives, and ducts not part of building.
3. Ash disposal equipment, including sluiceways not part of a building, pumps and piping, crane, ash bucket conveyor and drives, ash cars, etc.
4. Belt conveyors, including drives.
5. Blast gate valves.
6. Blow-down tanks and piping.
7. Boilers, including valves attached thereto, casings, safety valves, soot blowers, soot hoppers, superheaters, and feed water regulators.
8. Cinder and dust catcher system, including mechanical and electric types.
9. Coal and coke handling equipment, including hoppers, lorries, etc., used wholly for boilers.
10. Combustion control system, including all apparatus installed for the regulation and control of the supply of fuel or air to boilers.
11. Control apparatus.
12. Cranes, hoists, etc., wholly identified with apparatus listed herein.
13. Desuperheaters, and reducing valves.
14. Draft apparatus, including forced, induced, and other draft systems, with blowers, fans, and ducts not part of building.
15. Economizers.
16. Emergency lighting systems, not part of building, keep-a-lite systems, etc.
17. Emergency signal systems, in connection with boiler operation.
18. Feed water heaters, including primary and stage.
19. Flues, uptakes, and breeching, whether or not stacks are included in this account.
20. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
21. Furnaces.
22. Gas firing system, including gas lines, burners, etc., for gas fired boilers.
23. Injectors.
24. Mechanical stoker and feeding systems, clinker grinders, including drives.
25. Meters, gauges, recording instruments, etc.
26. Oil burning equipment, including tanks, heaters, pumps with drives, burner equipment, piping, and conditioning apparatus.
27. Painting, first cost.
28. Panels, control (for operating apparatus listed herein).
29. Piping system, steam header and exhaust header, including accessory pipe hangers, steam traps, etc., make-up water, feed water, drip, blow-off, water pipe lines used for steam plant, and valve control system.
30. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
31. Pulverizing equipment.
32. Pumps and driving units, for feed water, heater condensate, condenser water, and drip.
33. Stacks—brick, steel, and concrete, when set on separate foundations independent of substructure or superstructure of building.
34. Steam reheaters.
35. Steelwork, especially constructed for apparatus listed herein.
36. Tanks, including surge, weighing, return, blow-off, feed water storage.
37. Tar burning equipment for utilization of tar as boiler fuel, including tanks, pumps, burner equipment, piping, etc.
38. Waste heat boilers and accessories—stack valve and stack irrespective of location.
39. Water treatment system, including purifiers, setting tanks, filters, chemical mixing and dosing apparatus, etc.

NOTE A: This account shall not include boilers or steam pipes whose primary purpose is the heating of buildings.

NOTE B: When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, or pipe line, the cost shall not be charged to this account but to a special subdivision of account 305, Structures and Improvements—Manufactured Gas.

307 Other power equipment.

A. This account shall include the cost installed of electric generating and accessory equipment used for supplying electricity in gas production plants.

B. This account shall also include the cost installed of miscellaneous power equipment at gas production plants which is not included in any other account.

ITEMS

1. Acid proofing of battery rooms.
2. Air duct runs in battery rooms.
3. Air pump, steamjet.
4. Batteries for control and general station use.
5. Belts, pulleys, hangers, shafts, and countershafts.
6. Cables between generators and switchboards.
7. Cabinets, control.
8. Compartments, including busses, connections and items permanently attached.
9. Enclosure equipment not an integral part of building.
10. Engines, including steam rotary or reciprocating, steam turbines, and internal combustion engines.
11. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
12. Generators, A.C. or D.C., including excitation system.
13. Ground connections, for main station ground.
14. Lightning arresters.
15. Motor generators, frequency changers, and converters.
16. Overhead power lines, including poles, crossarms, insulators, conductors, etc.
17. Panels, control, including supports and instruments.
18. Piping applicable to apparatus listed herein.
19. Reactors.
20. Rectifiers.
21. Safety equipment, including rubber mats, remote closing devices, glove cabinets.
22. Switchboards, including frames, panels, meters, and instruments.
23. Switching equipment, including oil circuit breakers, disconnecting switches, and connections.
24. Synchronous converters.
25. Transformers, including transformer platforms.
26. Underground conduit system, including manholes and conductors.

NOTE: When any unit of equipment listed herein is wholly used to furnish power to equipment included in another single account, its cost shall be included in such account.

308 Coke ovens.

This account shall include the cost installed of coke ovens used for the production of gas.

ITEMS

1. Apparatus for placing coal in ovens.
2. Bins, if not part of a building.
3. Cabinets, control.
4. Calorimeters.
5. Cars, quenching.
6. Charging lorry.
7. Clay mixers.
8. Coke guide.
9. Coke and pusher benches.
10. Collecting mains.
11. Control apparatus.
12. Conveyor, flight.
13. Cover lifting machinery.
14. Door handling machine.
15. Door luting machine.
16. Driving units for coke oven machinery.
17. Enclosures for machinery.
18. Engines, when not an integral part of the driven equipment.
19. Firing equipment.
20. Flues, uptakes, and breeching.
21. Foundations.
22. Fuel handling equipment used exclusively for coal to be carbonized in ovens.
23. Fuel systems under ovens.
24. Hot coke wharves.
25. Hot coke cars.
26. Instruments or meters, electrical.
27. Locomotives.
28. Mud mill.
29. Motor control equipment.
30. Ovens.
31. Panel, control.
32. Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic main.
33. Pushers, including tracks and driving equipment.
34. Quenching station including structure, tank, well, piping, etc.
35. Quenching towers, piping, etc.
36. Regenerator, from bottom of oven floor tile to battery foundation.
37. Reversing machine, with enclosure.
38. Scale, platform.
39. Signal system.
40. Skip hoist.
41. Stacks.
42. Steel and iron work supports, platforms, stairways, etc.
43. Switches and switchboards.

309 Producer gas equipment.

This account shall include the cost installed of equipment used for the production of producer gas.

ITEMS

1. Ash handling equipment, used exclusively for producers.
2. Blast apparatus, including blowers, driving units, and blast mains.
3. Control apparatus.
4. Coolers and scrubbers.
5. Driving apparatus for producers.
6. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
7. Fuel handling equipment, used exclusively for producers.
8. Humidifiers.
9. Piping—air, steam (commencing at steam header), water (inside of building), and producer gas (up to outlet of final piece of apparatus in building).
10. Producer boosters, including driving units.
11. Producers.
12. Water separators.

310 Water gas generating equipment.

This account shall include the cost installed of equipment used in the generation of water gas.

ITEMS

1. Automatic operation equipment.
2. Back-run installations.
3. Blast equipment, including blowers and driving units, piping and supports.
4. Bridge, coal shed to generator house.
5. Carburetors.
6. Charging equipment, fuel.
7. Circulating water pumps.
8. Concrete or brick pits, including cover, not part of building.
9. Control apparatus.
10. Conveyors.
11. Dust collectors.
12. Enclosures for equipment (barriers, fire walls, guards, housings, screens, etc.).
13. Flow meters.
14. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
15. Fuel handling equipment used exclusively for fuel for this account.
16. Gauges, indicating and recording.
17. Generators.
18. Hot valves.
19. Hydraulic operation equipment.
20. Instruments and meters, electrical.
21. Oil handling and storage apparatus used solely for water gas apparatus (tanks, pumps and oil lines, oil heaters, manholes, valve pits, regulators, strainers, etc.).
22. Oil spray.
23. Operating floors and supports, stairways, etc.
24. Piling under foundations.
25. Piping and valves—steam (commencing at steam header), tar (to decanter), water (inside of building), and gas (up to outlet of final pieces of apparatus in building).
26. Pressure regulators.
27. Scales, when used in connection with items in this account.
28. Seal pots.
29. Superheaters and superheater stacks.
30. Tanks, hydraulic pressure.
31. Valve operating mechanisms.
32. Wash boxes.

311 Liquefied petroleum gas equipment.

A. This account shall include the cost installed of equipment used for the production of gas from petroleum derivatives, such as propane, butane, or gasoline.

B. Subdivisions of this account shall be maintained for each producing process for which this account is provided. A separate subaccount shall be maintained also for bottling equipment included herein.

ITEMS

1. Blowers.
2. Boilers.
3. Calorimixer.
4. Carbureting equipment.
5. Compression equipment.
6. Controller.
7. Control apparatus.
8. Enclosures and protective fences.
9. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
10. Heat exchanger.
11. Gauges and instruments.
12. Mixing or proportioning equipment.
13. Motors, not an integral part of driven equipment.
14. Odorizing equipment.
15. Oil separator.
16. Piping—steam (commencing at steam header), water (inside of building), oil (from supply tank), and gas (up to outlet of final piece of apparatus in building).
17. Pits.
18. Prime movers.
19. Pumps, including driving units.
20. Regulator.
21. Stairs, platforms, and ladders.
22. Storage equipment, tanks, etc.
23. Superheater.
24. Traps.
25. Valves—regulating and check.
26. Vaporizing equipment.

312 Oil gas generating equipment.

This account shall include the cost installed of equipment used for generating oil gas.

ITEMS

1. Air blast equipment, including blowers and driving units, piping and supports.
2. Air inlet louvres and filters.
3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
4. Generating equipment, including automatic cycle controls, generators, operating floor, superheaters and wash boxes.
5. Instruments and instrument boards, complete with signal lights and thermo couples and including gauge board, pressure gauges and pyrometers.
6. Meters and regulators, such as air flow meter, generator oil meter, steam flow meter and steam regulator.
7. Piping and valves, air, steam (commencing at steam header), water (inside building) and oil gas (up to outlet of final piece of apparatus in building).
8. Pumps, hydraulic and oil.
9. Tanks, hydraulic accumulator, hydraulic return, oil and steam accumulator.

313 Generating equipment—Other processes.

This account shall include, with subdivisions for each type of gas produced, the cost installed of generating equipment which is not included in any of the foregoing accounts, such as benches and retorts for the production of coal gas, equipment used for generating acetylene gas, etc.

ITEMS

As to coal gas production equipment:
1. Benches.
2. Charging and drawing machines.
3. Control apparatus.
4. Equipment for steaming retorts.
5. Flues, uptakes and breeching, whether or not stacks are included in this account.
6. Foundations.
7. Fuel handling equipment used exclusively for retorts, including weight lorries, tracks, etc., and grinders, breakers and screens located in retort house.
8. Fuel system under retorts, including built-in producers.
9. Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic main.
10. Primary atmospheric condensers.
11. Retorts.
12. Stacks—brick, steel, and concrete when set on separate foundations independent of substructure or superstructure of buildings, including lightning arresters.

314 Coal, coke, and ash handling equipment.

This account shall include the cost installed of structures or equipment used for the transportation, storage, washing, and treatment of coal, coke, and ashes, when used for general gas plant operations.

ITEMS

1. Bins—mixing, refuse, storage, etc.
2. Boom operating mechanism.
3. Breaker equipment.
4. Bridges, bridge track, and machinery.
5. Bucket conveyors and supports.
6. Capstan.
7. Cars.
8. Chutes.
9. Circuit breakers.

10. Coal loaders.
11. Coal preparation machinery, including washing and drying equipment.
12. Conduit, electrical.
13. Conveyors and supports.
14. Crane, caterpillar.
15. Driving apparatus for equipment listed herein.
16. Elevators.
17. Enclosure equipment.
18. Engines, not an integral part of driven equipment.
19. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
20. Gravity swing unloader.
21. Hoppers.
22. Instruments or meters, electrical.
23. Ladders, fixed.
24. Loading towers and equipment.
25. Locomotives.
26. Motor generators used only for equipment in this account.
27. Panel, control.
28. Pits.
29. Pulverizing equipment.
30. Railroad sidings and yard tracks.
31. Sampling equipment.
32. Scales.
33. Screens.
34. Sheds and fencing.
35. Shuttle boom.
36. Signal system equipment.
37. Silo.
38. Skip hoist.
39. Stairs, railings, etc.
40. Transfer cars and trucks.
41. Trestles.
42. Turntable.
43. Unloaders.
44. Weighometer.

315 Catalytic cracking equipment.

This account shall include the cost installed of equipment used for producing gas by the catalytic cracking process.

ITEMS

1. Caloric meters.
2. Catalytic furnace, including catalyst and foundation.
3. Combustion air blowers.
4. Compressors, air.
5. Control equipment.
6. Cooling coils, including foundations.
7. Cooling towers, including foundations.
8. Enclosures.
9. Fractionalizing units.
10. Piping and valves.
11. Preheaters.
12. Pressure regulators.
13. Proportioning controls.
14. Tanks.
15. Vaporizers.

316 Other reforming equipment.

This account shall include the cost installed of equipment, other than catalytic cracking equipment, used primarily for reforming gas with resultant changes in its chemical composition and calorific value.

ITEMS

1. Blast equipment, including blowers and driving units, piping, and supports.
2. Control apparatus.
3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
4. Fuel and ash handling equipment, used wholly in reforming gas.
5. Oil gas apparatus, used for reforming gas.
6. Piping—steam (commencing at steam header), water (inside of building), and gas (up to outlet of final piece of apparatus in building).
7. Pumps and driving units.
8. Purifiers for gas to be reformed.
9. Regulators.
10. Water gas generators, used primarily for reforming gas.

317 Purification equipment.

This account shall include the cost installed of apparatus used for the removal of impurities from gas and apparatus for conditioning gas, including pumps, wells, and other accessory apparatus.

ITEMS

1. Blowers for revivifying.
2. Blowers for activators.
3. Condensers and washer coolers.
4. Control apparatus—conduit, cable, cabinets, switchboards, etc.
5. Crane or cover lifting equipment, not part of the structure.
6. Dehydrators.
7. Engines, not an integral part of driven equipment.
8. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
9. Instruments and meters, electric.
10. Lubricators.
11. Naphthalene and light oil scrubbers.
12. Other accessory equipment such as coolers, spray ponds, pumps, platforms, railings, stairs.
13. Oxide elevators and pits, platforms, tables, and trenches.
14. Piping—air, steam, water, gas, condensate, liquor, tar, etc. from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
15. Precipitators.
16. Purifiers—iron oxide or liquid, including first filling.
17. Recording gauges and thermometers.
18. Revivifying air ducts.
19. Saturator with auxiliary equipment.
20. Scrubbers.
21. Seal and drip pots.
22. Signal system identified with equipment herein.
23. Sulphur removal apparatus.
24. Tar extractors and Cottrell precipitators.
25. Tar pumps and tanks.
26. Track runs for cranes and hoists.
27. Wash boxes.
28. Water meters, for cooling water.

318 Residual refining equipment.

This account shall include the cost installed of apparatus used in refining and handling of residuals except where the apparatus is necessary for the operation of property included in account 317, Purification Equipment.

ITEMS

1. Ammonia stills, condensers, saturators, etc.
2. Apparatus for removal of residuals from purifier liquids.
3. Coke filter.
4. Coke handling and storage facilities, used solely for coke held for sale.
5. Condensers.
6. Control apparatus.
7. Coolers.
8. Decanters.
9. Foundations specially constructed for and not intended to outlast the apparatus for which provided.
10. Gauges.
11. Heating equipment for apparatus included in this account.
12. Instruments.
13. Light oil stills, washers, etc.
14. Piping and pumps.
15. Platforms, stairs, and ladders.
16. Separators.
17. Storage tanks.
18. Supports.
19. Tar dehydrators, stills, etc.

319 Gas mixing equipment.

This account shall include the cost installed of equipment used for mixing manufactured and natural gas, or the mixing of other gases incident to delivery of such mixed gases to the distribution system.

ITEMS

1. Alcohol units.
2. Automatic mixing controls.
3. Btu adjustor.
4. Calorimeter.
5. Calorimixer.
6. Compressor.
7. Gas heater.
8. Gas scrubber (air filter, dust cleaner).
9. Gauges and instruments.
10. Meters.
11. Mixing chambers.
12. Odorizing equipment.
13. Oil pump units.
14. Panel and control equipment.
15. Piping and valves.
16. Regulators, pressure and ratio.
17. Safety alarm equipment.

320 Other equipment.

This account shall include the cost installed of equipment used in the production of gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Cabinet, control.
2. Compressed air system.
3. Fire hose carts.
4. First aid room equipment.
5. Foamite system.
6. Foundations and settings specially constructed for and not intended to outlast the apparatus for which provided.
7. Gasoline pumps.
8. Hand pumps.
9. Machine shop equipment, such as lathes, pipe cutting and threading machines, vise grinders, power saw, shop motors, shafting and belting, drill press, shapers, milling machines, planes, etc.
10. Odorizing equipment.
11. Office furniture and equipment.
12. Oil foggers.
13. Panel, control.
14. Piping—yard, when not includible in other accounts.
15. Pits.
16. Platforms.
17. Portable scaffolds, ladders, etc.
18. Power shovels.
19. Production laboratory equipment.
20. Scales, not associated with other equipment.
21. Special signal equipment.
22. Tractors for general plant use.
23. Works exhauster including driving unit and governor.
24. Works station meters, including gauges, piping and accessories.

B. NATURAL GAS PRODUCTION PLANT

B 1. NATURAL GAS PRODUCTION AND GATHERING PLANT

325.1 Producing lands.

This account shall include the cost of lands held in fee on which producing natural gas wells are located, and lands held in fee which are being drained of natural gas through the operation by the utility of wells on other land. (See gas plant instruction 6–G.)

325.2 Producing leaseholds.

A. This account shall include the cost of acquiring leaseholds on which the

utility pays royalties for natural gas obtained therefrom. (See gas plant instruction 6–G.)

B. Exclude from this account rents paid periodically for rights obtained under leases. Exclude also from this account the cost of leaseholds which terminate in one year or less after they become effective.

325.3 Gas rights.

This account shall include the cost of natural gas rights used in producing natural gas, whereby the utility obtains ownership in gas underlying land not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to account 325.2, Producing Leaseholds.

325.4 Rights-of-way.

This account shall include the cost of all interests in land which terminate more than one year after they become effective and on which are located gathering pipe lines, telephone pole lines, and like property used in connection with the production of natural gas.

325.5 Other land and land rights.

This account shall include the cost of land and land rights used in connection with the production of natural gas, when not properly assignable to any of the foregoing accounts.

326 Gas well structures.

This account shall include the cost of well structures and improvements used in connection with the housing of permanent bailers and other equipment necessary to keep the wells in operation. (See gas plant instruction 7.)

327 Field compressor station structures.

This account shall include the cost of structures and improvements used in connection with the housing of compressor station equipment used to raise the pressure of natural gas before it is conveyed to the terminus of the field lines. (See gas plant instruction 7.)

328 Field measuring and regulating station structures.

This account shall include the cost of structures and improvements used in connection with the housing of meters, regulators, and appurtenant appliances for measuring and regulating natural gas before the point where it enters the transmission or distribution system. (See gas plant instruction 7.)

329 Other structures.

This account shall include the cost of structures and improvements used in connection with natural gas production and gathering not provided for elsewhere. (See gas plant instruction 7.)

330 Producing gas wells—Well construction.

This account shall include the cost of drilling producing gas wells.

ITEMS

1. Clearing well site.
2. Hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs, and other equipment and tools used in drilling.
3. Drilling contractors' charges.
4. Drive pipe.
5. Fuel or power.
6. Labor.
7. Rent of drilling equipment.
8. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase.
9. Hauling well equipment.
10. Shooting, fracturing, acidizing.

331 Producing gas wells—Well equipment.

This account shall include the cost of equipment in producing gas wells.

ITEMS

1. Bailing equipment.
2. Boilers and drives permanently connected.
3. Casing.
4. Derrick.
5. Fence, when solely an enclosure for equipment.
6. Fittings, including shut-in valves, bradenheads and casing heads.
7. Packing.
8. Tank, oil or water, etc.
9. Tubing.

332 Field lines.

This account shall include the cost installed of field lines used in conveying natural gas from the wells to the point where it enters the transmission or distribution system.

ITEMS

1. Gathering lines, including pipe, valves, fittings, and supports.
2. Cathodic protection equipment.
3. Creek crossings, suspension bridges and other special construction.
4. Line drips and separators.

333 Field compressor station equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used to raise the pressure of natural gas before it is conveyed to the terminus of the field lines.

ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
2. Compressed air system equipment.
3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.
5. Fire fighting equipment.
6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.
7. Laboratory and testing equipment.
8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
9. Office furniture and fixtures and general equipment such as heating boilers, steel lockers, first-aid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc.
10. Shop tools and equipment.
11. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

334 Field measuring and regulating station equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring and regulating natural gas collected in field lines before the point where it enters the transmission or distribution system.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separtors, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

335 Drilling and cleaning equipment.

This account shall include the cost of implements and equipment used in drilling and cleaning natural gas wells.

ITEMS

1. Bailers.
2. Bits and other drilling tools.
3. Boilers.
4. Derricks.
5. Drilling cables.
6. Drilling machines.
7. Engines.
8. Motors.
9. Pulling machines.
10. Pumps.
11. Rigs.
12. Tanks.

336 Purification equipment.

This account shall include the cost installed of apparatus used for the removal of impurities from gas and apparatus for conditioning gas.

ITEMS

1. Condensers and washer coolers.
2. Dehydrators.
3. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
4. Other accessory equipment, such as coolers, spray ponds, pumps, platforms, railings, stairs.
5. Piping, from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
6. Scrubbers.
7. Sulphur removal apparatus.
8. Water supply system.

NOTE: In general this account shall include all dehydrators located in or adjacent to production areas which are used to remove water and other stray liquids from gas produced by the utility or purchased in or adjacent to production areas. In some instances such dehydrators may be located some distance from the production sources of the gas. Where, however, the utility has no production and gathering facilities with respect to any of the gas passing through the dehydrators, such as at the purchase point at the head of a transmission pipe line company, the dehydrators may be included in account 368, Compressor Station Equipment, or account 367, Mains, whichever is the most practicable and reasonable under the circumstances. Dehydrators

which are an adjunct to products extraction operations shall be included in account 342, Extraction and Refining Equipment. Dehydrators used in connection with underground gas storage operations shall be included in account 356, Purification Equipment.

337 Other equipment.

This account shall include the cost installed of equipment used in the production and gathering of natural gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Calorimeter.
2. Control installation.
3. Crane.
4. Laboratory equipment.
5. Odorizing unit.
6. Office furniture and equipment.
7. Oil fogger.

B 2. PRODUCTS EXTRACTION PLANT

340 Land and land rights.

This account shall include the cost of land and land rights used in connection with the processing of natural gas for removal of gasoline, butane, propane, or other salable products. (See gas plant instruction 6.)

341 Structures and improvements.

This account shall include the cost of structures and improvements used in connection with the processing of natural gas for removal of gasoline, butane, propane, or other salable products. (See gas plant instruction 7.)

342 Extraction and refining equipment.

This account shall include the cost installed of equipment used for the extraction from natural gas of gasoline, butane, propane, or other salable products and for the refining of such products.

ITEMS

1. Boiler plant equipment, including boiler, boiler setting, heat exchangers, etc.
2. Compressed air system, including air compressor, air storage tank, etc.
3. Cooling equipment such as coolers, cooling tower and accessories for gas, extracted products, etc.
4. Cranes, trolleys, and hoists.
5. Electrical system, including generator and driving unit, power lines, transformers, switchboard, yard lighting system, etc.
6. Extraction and refining equipment, such as absorbers, reabsorbers, stills dephlegmators, fractionating towers, stabilizing columns, control apparatus.
7. Foundations and structural supports for equipment items not intended to outlast the equipment for which provided.
8. Fuel regulating and measuring equipment.
9. Gasoline blending equipment including dye pot, eductor pumps, lead storage tanks, weighing device, etc.
10. Gauges and instruments.
11. Loading racks and associated other equipment.
12. Lubricating oil system.
13. Pumps of various types, such as boiler feed water pumps, loading and transfer pumps, drip still pumps, oil pumps, skimmer basin pumps, etc.
14. Tanks of various types such as accumulator and dewatering tanks, separator tanks, gasoline feed tanks, compressed air tanks, oil surge tanks, etc., except tanks classifiable as storage equipment, account 344.
15. Water supply system including water well, water tank and supports, water softener or purification apparatus, traveling water screen and drive.
16. Yard piping, gas, water, steam, compressed air, fuel, vapor, extracted products, including headers, valves, etc., but not including off-site lines includible in account 343, Pipe Lines.

343 Pipe lines.

This account shall include the cost installed of gas and liquids pipe lines used in connection with the processing of natural gas for the removal of gasoline, butane, propane, or other salable products, exclusive of runs of pipe appropriately includible in other equipment accounts, embracing principally off-site gas, gasoline gathering, and loading lines not includible as yard piping in account 342, Extraction and Refining Equipment.

ITEMS

1. Gas lines, off-site, relating solely to extraction operations.
2. Gasoline gathering lines connecting with off-site sources.
3. Gathering line drips.
4. Instruments, indicating and recording.
5. Loading lines connecting with remote off-site loading racks or storage facilities.
6. Pumps and driving units.

344 Extracted products storage equipment.

This account shall include the cost installed of storage tanks and associated equipment used in the storing, prior to sale, of gasoline, butane, propane, and other salable products extracted from natural gas.

ITEMS

1. Foundations.
2. Instruments.
3. Regulators.
4. Storage tanks for partially or fully processed products.
5. Valves.

345 Compressor equipment.

This account shall include the cost installed of compressor equipment and associated appliances used in connection with the receipt, processing, and return of natural gas processed for removal of gasoline, butane, propane, or other salable products.

ITEMS

(See account 333 for items.)

346 Gas measuring and regulating equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring or regulating natural gas received and/or returned from processing for removal of gasoline, butane, propane, or other salable products.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

347 Other equipment.

This acount shall include the cost installed of equipment used in processing natural gas and refining gasoline, butane, propane, and other salable products extracted from natural gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Fire fighting equipment.
2. Laboratory and testing equipment.
3. Miscellaneous equipment, such as first-aid cabinet, gasoline dispensing pump, heating boiler, incinerator, lawn mower, warehouse truck.
4. Office furniture and equipment.
5. Shop tools and equipment.

3. STORAGE PLANT

A. UNDERGROUND STORAGE PLANT

350.1 Land.

This account shall include the cost of lands held in fee on which underground storage wells are located, and other lands held in fee within an area utilized for the underground storage of gas. (See gas plant instruction 6–G.)

350.2 Leaseholds.

A. This account shall include the cost of acquiring leaseholds on lands within an area of underground gas storage operations. (See gas plant instruction 6–G.)

B. Exclude from this account rents paid periodically for rights obtained under leases.

350.3 Storage rights.

A. This account shall include the cost of rights obtained from others for use of lands for the underground storage of gas.

B. Exclude from this account rents or other charges paid periodically for use of lands for underground gas storage purposes.

350.4 Rights-of-way.

This account shall include the cost of all interests in land which do not terminate until more than one year after they become effective and on which are located underground storage lines, telephone pole lines, and like property used in connection with underground gas storage operations.

350.5 Gas rights.

This account shall include the cost of natural gas rights whereby the utility obtains ownership in gas underlying land within an underground gas storage area but not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to account 350.2, Leaseholds.

351 Structures and improvements.

A. This account shall include the cost in place of structures and improvements used wholly or predominantly in connection with underground storage of natural gas. (See gas plant instruction 7.)

B. This account shall be subdivided as follows:

351.1 Well structures.
351.2 Compressor station structures.
351.3 Measuring and regulating station structures.
351.4 Other structures.

352 Wells.

This account shall include the drilling cost of wells used for injection and withdrawal of gas from underground storage projects, including wells kept open and used for observation.

ITEMS

Drilling:
1. Clearing well site.
2. Hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs, and other equipment and tools used in drilling.
3. Drilling contractors' charges.
4. Drive pipe.
5. Fuel or power.
6. Labor.
7. Rent of drilling equipment.
8. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase.
9. Hauling well equipment.
10. Shooting, fracturing, acidizing.

Equipment:
11. Bailing equipment.
12. Boilers and drives permanently connected.
13. Casing.
14. Derrick.
15. Fence, when solely an enclosure for equipment.
16. Fittings, including shut-in valves, bradenheads and casing heads.
17. Packing.
18. Tank, oil or water, etc.
19. Tubing.

353 Lines.

This account shall include the cost installed of gas pipe lines used wholly or predominantly for conveying gas from point of connection with transmission or field lines to underground storage wells and from underground storage wells to the point where the gas enters the transmission or distribution system.

ITEMS

1. Cathodic protection equipment.
2. Creek crossings, suspension bridges and other special construction.
3. Lines, including pipe, valves, fittings, and supports.
4. Line drips and separators.

354 Compressor station equipment.

This account shall include the cost installed of compressor station equipment used wholly or predominantly for the purpose of raising the pressure of gas for delivery to underground storage or to raise the pressure of gas withdrawn from underground storage for delivery to the transmission or distribution system.

ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
2. Compressed air system equipment.
3. Compressor equipment and driving units, including auxiliaries, foundations, guardrails and enclosures, etc.
4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.
5. Fire fighting equipment.
6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.
7. Laboratory and testing equipment.
8. Lubricating oil system, including centrifuge, filter. tanks, purifier, and lubricating oil piping, etc.
9. Office furniture and fixtures and general equipment such as steel lockers, first-aid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc.
10. Shop tools and equipment.
11. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

355 Measuring and regulating equipment.

This account shall include the cost installed of equipment used wholly or predominantly for the purpose of measuring and regulating deliveries of gas to underground storage and withdrawals of gas from underground storage.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

356 Purification equipment.

This account shall include the cost installed of apparatus used wholly or predominantly for the removal of impurities from and the conditioning of, gas delivered to or removed from underground storage fields.

ITEMS

1. Condensers and washer coolers.
2. Dehydrators.
3. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
4. Other accessory equipment, such as coolers, spray ponds, pumps, platforms, railings, stairs.
5. Piping, from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
6. Scrubbers.
7. Sulphur removal apparatus.
8. Water supply system.

357 Other equipment.

This account shall include the cost installed of equipment used wholly or predominantly in connection with underground storage of gas, when not assignable to any of the foregoing accounts.

ITEMS

1. Calorimeter.
2. Control installation.
3. Crane.
4. Odorizing unit.
5. Office furniture and equipment.
6. Oil fogger.

B. LOCAL STORAGE PLANT

360 Land and land rights.

This account shall include the cost of land and land rights used in connection with local storage of gas in holders within or adjacent to distribution areas. (See gas plant instruction 6.)

361 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with local storage of gas within or adjacent to distribution areas. (See gas plant instruction 7.)

362 Gas holders.

This account shall include the cost installed of holders and associated appliances used in the storage of gas above ground, or in underground receptacles installed for local storage purposes.

ITEMS

1. Alarm systems.
2. Buried piping, tanks or other underground construction for gas storage.
3. Flood and fire control equipment.
4. Foundations.
5. Holder pistons.
6. Holders—waterless, including elevators, tar apparatus, and inlet and outlet connections.
7. Holders—waterseal, including oil skimmer, heating equipment, drips, and inlet and outlet connections.
8. Hortonspheres and high pressure tanks, including inlet and outlet connections, access equipment, etc.
9. Lighting.
10. Pumps.
11. Ventilating equipment.
12. Walkways.

NOTE A: If the utility stores gas by the liquefaction process the holders for such liquids, whether above or below ground, shall be included in a separate subaccount hereunder.

NOTE B: Relief holders used in connection with manufactured gas operations shall be included in account 305, Structures and Improvements.

363 Other equipment.

This account shall include the cost installed of other equipment used in connection with the storage of gas within or adjacent to distribution areas.

ITEMS

1. Complete inlet and outlet connections.
2. Compressor.
3. Foundation.
4. Gauges and instruments.
5. Regulating apparatus.

4. TRANSMISSION PLANT

365.1 Land and land rights.

This account shall include the cost of land and land rights except rights-of-way used in connection with transmission operations. (See gas plant instruction 6.)

365.2 Rights-of-way.

This account shall include the cost of rights-of-way used in connection with transmission operations. (See gas plant instruction 6.)

366. Structures and improvements.

A. This account shall include the cost in place of structures and improvements

used in connection with transmission operations. (See gas plant instruction 7.)

B. This account shall be subdivided as follows:

366.1 Compressor Station Structures.
366.2 Measuring and Regulating Station Structures.
366.3 Other Structures.

367 Mains.

A. This account shall include the cost installed of transmission system mains.

B. The records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

ITEMS

1. Anti-freeze lubricating equipment.
2. Automatic valve operating mechanisms, including pressure tanks, etc.
3. By-pass assembly.
4. Caissons, tunnels, trestles, etc., for submarine mains.
5. Cathodic protection equipment.
6. Drip lines and pots.
7. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
8. Foundations.
9. Gas cleaners, scrubbers, etc. when not part of compressor station or measuring and regulating equipment.
10. Leak clamps. (See gas plant instruction 9–C (1).)
11. Linewalkers' bridges.
12. Manholes.
13. Municipal inspection.
14. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
15. Permits.
16. Pipe coating.
17. Pipe and fittings.
18. Pipe laying.
19. Pipe supports.
20. Protection of street openings.
21. River, highway, and railroad crossings, including revetments, pipe anchors, etc.
22. Valves.
23. Welding.

368 Compressor station equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used in connection with transmission operations.

ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
2. Compressed air system equipment.
3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.
5. Fire fighting equipment.
6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.
7. Laboratory and testing equipment.
8. Lubricating oil system including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
9. Office furniture and fixtures and general equipment such as steel lockers, first-aid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc.
10. Shop tools and equipment.
11. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

369 Measuring and regulating station equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring or regulating gas in connection with transmission system operations.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

NOTE: Pipe line companies shall include in the transmission functional classification city gate and main line industrial measuring and regulating stations, except that where pipe line companies measure deliveries of gas at entry points to their own distribution systems, they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purposes of this system of accounts.

370 Communication equipment.

This account shall include the cost installed of radio, telephone, microwave, and other equipment used wholly or predominantly in connection with the operation and maintenance of the gas transmission system. (See also account 397, Communication Equipment.)

ITEMS

1. Carrier terminal equipment including repeaters, power supply equipment, transmitting and receiving sets.
2. Microwave equipment, including power supply equipment, transmitters, amplifiers, paraboloids, towers, reflectors, receiving equipment, etc.
3. Radio equipment, fixed and mobile, including antenna, power equipment, transmitters and receivers, and portable receiver-transmitter units.
4. Telephone equipment including switchboards, power and testing equipment, conductors, pole lines, etc.

371 Other equipment.

This account shall include the cost installed of equipment used in transmission system operations, when not assignable to any of the foregoing accounts.

5. DISTRIBUTION PLANT

374 Land and land rights.

This account shall include the cost of land and land rights used in connection with distribution operations. (See gas plant instruction 6.)

375 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See gas plant instruction 7.)

376 Mains.

A. This account shall include the cost installed of distribution system mains.

B. The records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

ITEMS

1. Caissons, tunnels, trestles, etc. for submarine mains.
2. Clamps, leak (bell and spigot) when installed at time of construction; when clamps are installed subsequent to construction, the accounting shall be in accordance with gas plant instruction 9, paragraph (C) 1.
3. Drip lines and pots.
4. Electrolysis tests, in connection with new construction.
5. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
6. Hauling, unloading, and stringing pipe.
7. Lamping and watching new construction.
8. Municipal inspection.
9. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
10. Permits.
11. Pipe coating.
12. Pipe and fittings.
13. Pipe laying.
14. Pipe supports.
15. Protection of street openings.
16. Relocating city storm and sanitary sewers, catch basins, etc., or protecting same in connection with new construction.
17. Replacement of municipal drains and culverts in connection with new construction.
18. Roadway boxes.
19. Shifting excavated material due to traffic conditions in connection with new construction.
20. Sleeves and couplings.
21. Special crossovers, bridges and foundations for special construction.
22. Surveying and staking lines.
23. Valves where not installed in pits including manholes or pits not associated with pumping or regulating equipment.
24. Welding.
25. Wood blocking.

377 Compressor station equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used in connection with distribution system operations.

ITEMS

1. Boiler plant, coal handling and ash handling equipment for steam compressor station.
2. Compressed air system equipment.
3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.
5. Fire fighting equipment.
6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.
7. Laboratory and testing equipment.

8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
9. Office furniture and fixtures and general equipment such as steel lockers, first-aid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc.
10. Shop tools and equipment.
11. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

378 Measuring and regulating station equipment—general.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring and regulating gas in connection with distribution system operations other than the measurements of gas deliveries to customers.

ITEMS

1. Automatic control equipment.
2. Boilers, heaters, etc.
3. Foundations, pits, etc.
4. Gas Cleaners, scrubbers, separators, dehydrators, etc.
5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
6. Headers.
7. Meters, orifice, or positive, including piping and connections.
8. Oil fogging equipment.
9. Odorizing equipment.
10. Regulators or governors, including controls and instruments.
11. Structures of a minor nature or portable type.

NOTE: By-passes outside governor pits are includible in account 376, Mains.

379 Measuring and regulating station equipment—city gate check stations.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring and regulating the receipt of gas at entry points to distribution systems.

NOTE: Pipe line companies shall include in the transmission functional classification city gate and main line industrial measuring and regulating stations, except that where pipe line companies measure deliveries of gas at entry points to their own distribution systems, they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purposes of this system of accounts.

ITEMS

(See account 378 for items.)

380 Services.

A. This account shall include the cost installed of service pipes and accessories leading to the customers' premises.

B. A complete service begins with the connection on the main and extends to but does not include the connection with the customer's meter. A stub service extends from the main to the property line, or the curb stop.

C. Services which have been used but have become inactive shall be retired from utility plant in service immediately if there is no prospect for reuse, and, in any event, shall be retired by the end of the second year following that during which the service became inactive unless reused in the interim.

ITEMS

1. Curb valves and curb boxes.
2. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
3. Landscaping, including lawns, shrubbery, shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
4. Municipal inspection.
5. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
6. Permits.
7. Pipe and fittings, including saddle, T, or other fitting on street main.
8. Pipe coating.
9. Pipe laying.
10. Protection of street openings.
11. Service drips.
12. Service valves, at head of service, when installed or furnished by the utility.

NOTE: When a customer pays all or a part of the cost of the service and such cost is properly includible in this account, the amount borne or contributed by the customer shall be credited to account 271, Contributions in Aid of Construction.

381 Meters.

A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring gas delivered to users, whether actually in service or held in reserve.

B. When a meter is permanently retired from service, the installed cost included herein shall be credited to this account.

C. The records of meters shall be so kept that the utility can furnish information as to the number of meters of each type and capacity in service and in reserve as well as the location of each meter.

ITEMS

1. Meters, including badging and initial testing.

Meter installations:

2. Cocks.
3. Labor.
4. Locks.
5. Meter bars.
6. Pipe and fittings.
7. Seals.
8. Shelves.
9. Swivels and bushings.
10. Transportation.

NOTE A: At the option of the utility, costs of meter installations may be accounted for separately from the cost of meters in accordance with the provisions of account 382, Meter Installations. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

NOTE B: The cost of removing and resetting meters shall be charged to account 763, Meter and House Regulator Expenses.

382 Meter installations.

A. This account shall include the cost of labor and materials used, and expenses incurred in connection with the original installation of customer meters.

B. When a meter installation is permanently retired from service, the cost thereof shall be credited to this account.

ITEMS

1. Cocks.
2. Locks.
3. Labor.
4. Meter bars.
5. Pipe and fittings.
6. Seals.
7. Shelves.
8. Swivels and bushings.
9. Transportation.

NOTE: At the option of the utility, meter installations may be accounted for as part of the cost installed of meters, in accordance with the provisions of account 381, Meters. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

383 House regulators.

A. This account shall include the cost installed of house regulators when actually in service or held in reserve.

B. When a house regulator is permanently retired from service, the installed cost thereof shall be credited to this account.

ITEMS

1. House regulator.

House regulator installations:

2. Cocks.
3. Labor.
4. Locks.
5. Pipe and fittings.
6. Regulator vents.
7. Swivels and bushings.
8. Transportation.

NOTE: At the option of the utility, costs of house regulator installations may be accounted for separately from the cost of house regulators in accordance with the provisions of account 384, House Regulator Installations. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

384 House regulator installations.

A. This account shall include the cost of labor and materials used and expenses incurred in connection with the original installation of house regulators.

B. When a house regulator installation is permanently retired from service, the cost thereof shall be credited to this account.

ITEMS

1. Cocks.
2. Labor.
3. Locks.
4. Pipe and fittings.
5. Regulator vents.
6. Swivels and bushings.
7. Transportation.

NOTE: At the option of the utility, house regulator installations may be accounted for as part of the cost installed of house regulators in accordance with the provisions of account 383, House Regulators. The practice, however, shall be consistent from year to year and throughout the utility's system.

385 Industrial measuring and regulating station equipment.

This account shall include the cost of special and expensive installations of measuring and regulating station equipment, located on the distribution system, serving large industrial customers.

ITEMS

(See account 378 for items.)

NOTE A: Do not include in this account measuring and regulating station equipment serving main line industrial customers. (See account 369.)

NOTE B: By-passes outside of governor pits are includible in account 376, Mains.

386 Other property on customers' premises.

This account shall include the cost, including first setting and connecting,

of equipment owned by the utility installed on customer premises which is not includible in other accounts.

387 Other equipment.

This account shall include the cost installed of all other distribution system equipment not provided for in the foregoing accounts, including street lighting equipment.

ITEMS

1. Carbon monoxide tester and indicator.
2. Explosimeters.
3. Fire extinguisher.
4. Gas masks.
5. Lockers.
6. Portable pump.
7. Recording gauges.
8. Street lighting equipment.
9. Test meters.
10. Watchmen's clocks.

6. GENERAL PLANT

389 Land and land rights.

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See gas plant instruction 6.)

390 Structures and improvements.

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See gas plant instruction 7.)

391 Office furniture and equipment.

This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

ITEMS

1. Book cases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting-room equipment.
4. Filing, storage, and other cabinets.
5. Floor covering.
6. Library and library equipment.
7. Mechanical office equipment such as accounting machines, typewriters, etc.
8. Safes.
9. Tables.

392 Transportation equipment.

This account shall include the cost of transportation vehicles used for utility purposes.

ITEMS

1. Airplanes.
2. Automobiles.
3. Bicycles.
4. Electrical vehicles.
5. Motor trucks.
6. Motorcycles.
7. Repair cars or trucks.
8. Tractors and trailers.
9. Other transportation vehicles.

393 Stores equipment.

This account shall include the cost of equipment used for the receiving, shipping, handling and storage of materials and supplies.

ITEMS

1. Chain falls.
2. Counters.
3. Cranes (portable).
4. Elevating and stacking equipment (portable).
5. Hoists.
6. Lockers.
7. Scales.
8. Shelving.
9. Storage bins.
10. Trucks, hand and power driven.
11. Wheelbarrows.

394 Tools, shop, and garage equipment.

This account shall include the cost of tools, implements, and equipment used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.

ITEMS

1. Air compressors.
2. Anvils.
3. Automobile repair shop equipment.
4. Battery charging equipment.
5. Belts, shafts and countershafts.
6. Boilers.
7. Cable pulling equipment.
8. Concrete mixers.
9. Derricks.
10. Drill presses.
11. Electric equipment.
12. Engines.
13. Forges.
14. Foundations and settings specially constructed for equipment in this account and not expected to outlast the equipment for which provided.
15. Furnaces.
16. Gas producers.
17. Gasoline pumps, oil pumps, and storage tanks.
18. Greasing tools and equipment.
19. Hoists.
20. Ladders.
21. Lathes.
22. Machine tools.
23. Motor driven tools.
24. Motors.
25. Pipe threading and cutting tools.
26. Pneumatic tools.
27. Pumps.
28. Riveters.
29. Smithing equipment.
30. Tool racks.
31. Vises.
32. Welding apparatus.
33. Work benches.

395 Laboratory equipment.

This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts.

ITEMS

1. Balances and scales.
2. Barometers.
3. Calorimeters—bomb, flow, recording types, etc.
4. Electric furnaces.
5. Gas burning equipment.
6. Gauges.
7. Glassware, beakers, burettes, etc.
8. Humidity testing apparatus.
9. Laboratory hoods.
10. Laboratory tables and cabinets.
11. Muffles.
12. Oil analysis apparatus.
13. Piping.
14. Specific gravity apparatus.
15. Standard bottles for meter prover testing.
16. Stills.
17. Sulphur and ammonia apparatus.
18. Tar analysis apparatus.
19. Thermometers—indicating and recording.
20. Any other item of equipment for testing gas, fuel, flue gas, water, residuals, etc.

396 Power operated equipment.

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts; it shall include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

ITEMS

1. Air compressors, including driving unit and vehicle.
2. Back filling machines.
3. Boring machine.
4. Bulldozers.
5. Cranes and hoists.
6. Diggers.
7. Engines.
8. Pile drivers.
9. Pipe cleaning machine.
10. Pipe coating or wrapping machines.
11. Tractors—crawler type.
12. Trenchers.
13. Other power operated equipment.

NOTE: It is intended that this account include only such large units as are generally self-propelled or mounted on movable equipment.

397 Communication equipment.

This account shall include the cost installed of telephone, telegraph and wireless equipment for general use in connection with the utility's gas operations. (See account 370 for communication equipment used wholly or predominantly in connection with operation and maintenance of the transmission system.)

ITEMS

1. Carrier terminal equipment including repeaters, power supply equipment, transmitting and receiving sets.
2. Microwave equipment, including power supply equipment, transmitters, amplifiers, paraboloids, towers, reflectors, receiving equipment, etc.
3. Radio equipment, fixed and mobile, including antenna, power equipment, transmitters and receivers, and portable receiver-transmitter units.
4. Telephone equipment including switchboards, power and testing equipment, conductors, pole lines, etc.

398 Miscellaneous equipment.

This account shall include the cost of equipment, apparatus, etc., used and useful in gas operations, which is not includible in any other account.

ITEMS

1. Hospital and infirmary equipment.
2. Kitchen equipment.
3. Operator's cottage furnishings.
4. Radios.
5. Recreation equipment.
6. Restaurant equipment.
7. Soda fountains.
8. Other miscellaneous equipment.

NOTE: Miscellaneous equipment of the nature indicated above wherever practicable shall be assigned to the utility plant accounts on a functional basis.

399 Other tangible property.

This account shall include the cost of tangible utility plant not provided for elsewhere.

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.
Operating expenses:
401 Operation expense.
402 Maintenance expense.
403 Depreciation and depletion expense.
404 Amortization of limited-term gas plant.
405 Amortization of other gas plant.
406 Amortization of gas plant acquisition adjustments.
407.1 Amortization of property losses.
407.2 Amortization of conversion expenses.
408 Taxes other than income taxes.
409 Income taxes.
410 Provision for deferred income taxes.
411 Income taxes deferred in prior years-credit.

TOTAL OPERATING EXPENSES

Operating income.
412, 413 Income from gas plant leased to others.
414 Other utility operating income.
Total operating income.

2. OTHER INCOME

415, 416 Income from merchandising, jobbing, and contract work.
417 Income from nonutility operations.
418 Nonoperating rental income.
419 Interest and dividend income.
421 Miscellaneous nonoperating income.
Total other income.
Total income.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.
426 Other income deductions.
Total income deductions.
Income before interest charges.

4. INTEREST CHARGES

427 Interest on long-term debt.
428 Amortization of debt discount and expense.
429 Amortization of premium on debt—Cr.
430 Interest on debt to associated companies.
431 Other interest expense.
432 Interest charged to construction—Cr.
Total interest charges.
Net income.

5. EARNED SURPLUS

216 Unappropriated earned surplus (at beginning of period).
433 Balance transferred from income.
434 Miscellaneous credits to surplus.
435 Miscellaneous debits to surplus.
436 Appropriations of surplus.
Net addition to earned surplus.
437 Dividends declared—Preferred stock.
438 Dividends declared—Common stock.
216 Unappropriated earned surplus (at end of period).

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

There shall be shown under this caption the total amount included in the gas operating revenue accounts provided herein.

401 Operation expense.

There shall be shown under this caption the total amount included in the gas operation expense accounts provided herein.

402 Maintenance expense.

There shall be shown under this caption the total amount included in the gas maintenance expense accounts provided herein.

403 Depreciation and depletion expense.

A. This account shall include the amount of depreciation expense for all classes of depreciable gas plant in service except such depreciation expense as is chargeable to clearing accounts or to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work. It shall also include depletion and amortization expense with respect to producing natural gas lands and land rights.

B. The utility shall keep such records of property and property retirements as will reflect the service life of property which has been retired, and also such records as will reflect the percentage of salvage and cost of removal for property retired.

C. The charges to this account for amortization and depletion of producing natural gas land and land rights shall be made in such manner as to distribute the cost of producing natural gas land and land rights over the period of their benefit to the utility, based upon the exhaustion of the natural gas deposits recoverable from such land and land rights.

NOTE A: Depreciation expense applicable to property included in account 104, Gas Plant Leased to Others, shall be charged to account 413, Expenses of Gas Plant Leased to Others.

NOTE B: Depreciation expense applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment, and other general equipment may be charged to clearing accounts as necessary, in order to obtain a proper distribution of expenses between construction and operation.

404 Amortization of limited-term gas plant.

This account shall include amortization charges applicable to amounts included in the gas plant accounts for limited-term franchises, licenses, patent rights, limited-term interests in land other than land rights held for the production of natural gas, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant.)

405 Amortization of other gas plant.

A. When authorized by the Commission, this account shall include charges for amortization of intangible or other gas plant in service which does not have a definite or terminable life and which is not subject to charges for depreciation expense.

B. This account shall be supported in such detail as to show the amortization applicable to each investment being amortized, together with the book cost of the investment and the period over which it is being written off.

406 Amortization of gas plant acquisition adjustments.

This account shall be debited or credited, as the case may be, with amounts includible in operating expenses, pursuant to approval or order of the Commission, for the purpose of providing for the extinguishment of the amount in account 114, Gas Plant Acquisition Adjustments.

407.1 Amortization of property losses.

This account shall be charged with amounts credited to account 182, Extraordinary Property Losses, when the Commission has authorized the amount in the latter account to be amortized by charges to gas operating expenses.

407.2 Amortization of conversion expenses.

This account shall be charged with amortization of amounts authorized by the Commission to be included in account 183, Other Deferred Debits, for expenses incurred in the conversion of distribution plant from manufactured gas service to natural gas service.

408 Taxes other than income taxes.

A. This account shall include the amount of ad valorem, gross revenue or gross receipts taxes, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by federal, state, county, municipal, or other local governmental authorities, which are properly chargeable to gas operations, except income taxes.

B. This account shall be charged with the amount of taxes which is applicable thereto, with concurrent credits to account 236, Taxes Accrued, or account 165, Prepayments, as appropriate. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and adjustments made in current accruals as the actual tax levies become known.

C. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering more than one utility service, taxes of the kind includible in this account shall be assigned directly to the utility department the operation of which gave rise to the tax in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

NOTE A: Taxes applicable to nonutility property or investments including taxes on net income derived therefrom shall be charged to the account in which the income from the property or investments is included.

NOTE B: Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

NOTE C: Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE D: Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropriate rent expense or clearing account.

NOTE E: Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

NOTE F: Social Security and other forms of so-called pay roll taxes shall be distributed

to utility departments and to nonutility functions on a basis related to pay roll. Amounts applicable to construction shall be charged to the appropriate plant account.

409 Income taxes.

A. This account shall include the amount of state and federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted accordingly so that this account, as nearly as can be ascertained, shall include the actual taxes payable which are chargeable to utility operations.

B. The accruals for income taxes shall be apportioned among utility departments and nonutility operations so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or nonutility operation the income from which gave rise to the tax.

NOTE A: Taxes assumed by the utility on interest shall be charged to account 431, Other Interest Expense.

NOTE B: Income taxes on income from gas plant leased to others shall be charged to account 413, Expenses of Gas Plant Leased to Others.

NOTE C: Where statutes or regulatory practices require that the profits or losses of merchandising, jobbing and contract work shall not be considered in arriving at rates to be charged for utility service, income taxes on income from merchandising, jobbing and contract work shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

NOTE D: Income taxes on nonutility income shall be charged to the account in which the income is included. If the amount of nonutility income is relatively small, the allocation of income taxes thereto may be made annually.

NOTE E: Interest on tax refunds or deficiencies shall not be included in this account but in account 419, Interest and Dividend Income, or account 431, Other Interest Expense, as appropriate.

410 Provision for deferred income taxes.

This account shall be debited, and Accumulated Deferred Income Taxes shall be credited with an amount equal to any deferral of taxes on income as provided by the texts of accounts 281, 282, and 283. There shall not be netted against entries required to be made to this account any credit amounts appropriately includible in account 411, Income Taxes Deferred in Prior Years—Credit.

411 Income taxes deferred in prior years—Credit.

This account shall be credited and Accumulated Deferred Income Taxes debited with an amount equal to the portion of taxes on income payable for the year that is attributable to a deferral of taxes on income in a prior year, in accordance with the plan of deferred tax accounting provided by the texts of accounts 281, 282, and 283. There shall not be netted against entries required to be made to this account any debit amounts appropriately includible in account 410, Provision for Deferred Income Taxes.

412 Revenues from gas plant leased to others.

413 Expenses of gas plant leased to others.

A. These accounts shall include, respectively, revenues from gas property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 104, Gas Plant Leased to Others, and the expenses attributable to such property.

B. The detail of expenses shall be kept or supported so as to show separately the following:

Operation.
Maintenance.
Rents.
Depreciation and Depletion.
Amortization.
Taxes Other Than Income Taxes.
Income Taxes.

414 Other utility operating income.

A. This account shall include the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 118, Other Utility Plant.

B. The expenses shall include every element of cost incurred in such operations, including depreciation, rents, taxes, and insurance.

2. OTHER INCOME

415 Revenues from merchandising, jobbing and contract work.

416 Costs and expenses of merchandising, jobbing and contract work.

A. These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and all expenses incurred in such activities.

B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

NOTE: Revenues and expenses of merchandising, jobbing and contract work shall be reported in these accounts, if a state regulatory body having jurisdiction over the utility requires the net income to be reported as other income; but the amount shall be reported in accounts 914, Revenues from Merchandising, Jobbing and Contract Work, and 915, Costs and Expenses of Merchandising, Jobbing and Contract Work, if such regulatory body requires the net income to be reported as an operating income or expense item. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 914 and 915 at its option, in which case the practice of the utility must be consistent.

ITEMS

Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 416:

Labor—

1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
2. Demonstrating and selling activities in sales rooms.
3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
4. Installing piping or other property work, on a jobbing or contract basis.
5. Preparing advertising materials for appliance sales purposes.
6. Receiving and handling customer orders for merchandise or for jobbing services.
7. Cleaning and tidying sales rooms.
8. Maintaining displays and equipment used in merchandising.
9. Arranging merchandise in sales rooms and decorating display windows.
10. Reconditioning repossessed appliances.
11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.
12. Supervising merchandise and jobbing operations.

Materials and Expenses—

13. Advertising in newspapers, periodicals, radio, television, etc.
14. Cost of merchandise sold and of materials used in jobbing work.
15. Stores expenses on merchandise and jobbing stocks.
16. Fees and expenses of advertising and commercial artists' agencies.
17. Printing booklets, dodgers, and other advertising data.
18. Premiums given as inducement to buy appliances.
19. Light, heat, and power.
20. Depreciation on equipment used primarily for merchandise and jobbing operations.
21. Rent of sales rooms or of equipment.
22. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.
23. Stationery and office supplies and expenses.
24. Taxes directly assignable to merchandise and jobbing operations including income taxes on net income derived therefrom.
25. Losses from uncollectible merchandise and jobbing accounts.

417 Income from nonutility operations.

A. This account shall include revenues and expenses applicable to operations which are nonutility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as the operation of an ice department where applicable statutes do not define such operation as a utility, or the operation of a servicing organization for furnishing supervision, management, engineering, and similar services to others.

B. The expenses shall include all elements of costs incurred in such operations, and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.
Maintenance.
Rents.
Depreciation.

Amortization.
Taxes other than income taxes.
Income taxes.

418 Nonoperating rental income.

A. This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property, which is not used in operations covered by account 417.

B. The expenses shall include all elements of costs incurred in the ownership and rental of the property and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes other than income taxes.
Income taxes.

419 Interest and dividend income.

A. This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Surplus.

C. This account may include the pro rata amount necessary to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the face value of interest-bearing securities. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried.

D. Where significant in amount, expenses, including operating taxes and income taxes, applicable to security investments and to interest and dividend revenues thereon, shall be charged hereto.

NOTE: Interest accrued, the payment of which is not reasonably assured, dividends receivable which have not been declared or guaranteed, and interest or dividends upon reacquired securities issued or assumed by the utility shall not be credited to this account.

421 Miscellaneous nonoperating income.

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

ITEMS

1. Profit on sale of timber. (See gas plant instruction 6, C.)
2. Profits from operations of others realized by the utility under contracts.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to Surplus.

ITEMS

1. Amortization of utility plant acquisition adjustments, or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.
2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the Commission.
3. Amortization of capital stock discount or expenses when in accordance with a systematic amortization program.

426 Other income deductions.

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

ITEMS

1. Donations for charitable, social or community welfare purposes.
2. Life insurance of officers and employees where utility is beneficiary (net premiums less increase in cash surrender value of policies).
3. Penalties or fines for violation of statutes pertaining to regulation.

NOTE: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

4. INTEREST CHARGES

427 Interest on long-term debt.

A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

B. This account shall be so kept or supported as to show the interest accruals on each class and series of long-term debt.

NOTE: This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

428 Amortization of debt discount and expense.

A. This account shall include the amortization of unamortized debt discount and expense on outstanding long-term debt. Amounts charged to this account shall be credited concurrently to account 181, Unamortized Debt Discount and Expense.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429 Amortization of premium on debt—Cr.

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 251, Unamortized Premium on Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

430 Interest on debt to associated companies.

A. This account shall include the interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

431 Other interest expense.

This account shall include all interest charges not provided for elsewhere.

ITEMS

1. Interest on notes payable on demand or maturing a year or less from the date and on open accounts, except notes and accounts with associated companies.
2. Interest on customers' deposits.
3. Interest on claims and judgments, tax assessments, assessments for public improvements past due.
4. Income and other taxes levied upon bondholders of utility and assumed by it.

432 Interest charged to construction—Cr.

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. No interest shall be capitalized on plant which is completed and ready for service.

5. EARNED SURPLUS

433 Balance transferred from income.

This account shall include the net credit or debit transferred from income for the year.

434 Miscellaneous credits to surplus.

This account shall include credits affecting earned surplus not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be credited to this account is not significant with respect to net income determination for the year, it may be credited to the appropriate nonoperating income account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Delayed credits.
2. Profit on reacquisition and resale or retirement of utility's debt securities.
3. Profit on sale of property or investments.

435 Miscellaneous debits to surplus.

This account shall include amounts chargeable to earned surplus but not provided for elsewhere. If an amount otherwise required by the uniform sys-

tem of accounts to be charged to this account is not significant with respect to net income determination for the year, it may be charged to the appropriate non-operating income deduction account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Decline in value of investments.
2. Delayed debits.
3. Loss on reacquisition and resale or retirement of utility's debt securities.
4. Provision for past accrued depreciation not provided for.
5. Long-term debt discount or expense written off.
6. Loss on sale of property or investments.
7. Write-off of utility plant acquisition adjustments or of intangibles when not done under an orderly systematic program indicating the propriety of inclusion of the annual charges in account 425, Miscellaneous Amortization.
8. Preliminary survey and investigation expenses on abandoned projects.
9. Income taxes, both state and federal, occasioned by items included in account 434, Miscellaneous Credits to Surplus.
10. Charges from retirement or resale of reacquired capital stock.

436 Appropriations of surplus.

This account shall include appropriations of earned surplus for purposes not provided for elsewhere.

ITEMS

1. Appropriations of income required under terms of mortgages, orders of courts, contract or other agreements.
2. Appropriations of income required by action of regulatory authorities.
3. Miscellaneous appropriations of income made at option of utility for specified purposes.

437 Dividends declared—Preferred stock.

A. This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding preferred or prior lien capital stock issued by the utility.

B. Dividends shall be segregated for each class and series of preferred stock as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

438 Dividends declared—Common stock.

A. This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding common capital stock issued by the utility.

B. Dividends shall be segregated for each class of common stock as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

Operating Revenue Accounts

1. SALES OF GAS

480 Residential sales.
481 Commercial and industrial sales.
483 Sales for resale.
484 Interdepartmental sales.

2. OTHER OPERATING REVENUES

487 Forfeited discounts.
488 Miscellaneous service revenues.
489 Revenues from transportation of gas of others.
490 Sales of products extracted from natural gas.
491 Revenues from natural gas processed by others.
492 Incidental gasoline and oil sales.
493 Rent from gas property.
494 Interdepartmental rents.
495 Other gas revenues.

Operating Revenue Accounts

1. SALES OF GAS

480 Residential sales.

A. This account shall include the net billing for gas supplied for residential or domestic purposes.

B. Records shall be maintained so that the quantity of gas sold and the revenues received under each rate schedule shall be readily available.

NOTE: When gas supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account or account 481, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

481 Commercial and industrial sales.

A. This account shall include the net billing for gas supplied to commercial and industrial customers.

B. Records shall be maintained so that the quantity of gas sold and revenue received under each rate schedule shall be readily available.

NOTE: When gas supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account or in account 480, Residential Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

483 Sales for resale.

A. This account shall include the net billing for gas supplied to other gas utilities or to public authorities for resale purposes.

B. Records shall be maintained so that there shall be readily available the revenues for each customer under each revenue schedule and the billing determinants, as applicable, i.e., volume of gas (actual and billing), contract demand, maximum actual demand, billing demand, and Btu adjustment factor.

NOTE: Revenues from gas supplied to other public utilities for use by them and not for distribution, shall be included in Account 481, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

484 Interdepartmental sales.

A. This account shall include amounts charged by the gas department at tariff or other specified rates for gas supplied by it to other utility departments.

B. Records shall be maintained so that the quantity of gas supplied each other department and the charge made therefor shall be readily available.

2. OTHER OPERATING REVENUES

487 Forfeited discounts.

This account shall include the amount of discounts forfeited or additional charges imposed because of the failure of customers to pay gas bills on or before a specified date.

488 Miscellaneous service revenues.

This account shall include revenues from all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

ITEMS

1. Fees for changing, connecting, or disconnecting service.
2. Profit on maintenance of appliances, piping, gas firing and other utilization facilities, or other installations on customers' premises.
3. Net credit or debit (cost less net salvage and less payment from customers) on closing work orders for plant installed for temporary service of less than one year.
4. Recovery of expenses in connection with gas diversion cases. (Billing for the gas consumed shall be included in the appropriate gas revenue account.)
5. Services performed for other gas companies for testing and adjusting meters, changing charts, etc.

489 Revenues from transportation of gas of others.

This account shall include revenues from transporting gas for other companies through the production, transmission, and distribution lines, or compressor stations of the utility.

490 Sales of products extracted from natural gas.

A. This account shall include revenues from sales of gasoline, butane, propane, and other products extracted from natural gas, net of allowances, adjustments, and discounts, including sales of similar products purchased for resale.

B. Records shall be maintained so that the quantity, sales price, and revenues for each type of product sold to each purchaser shall be readily available.

491 Revenues from natural gas processed by others.

A. This account shall include revenues from royalties and permits, or other bases of settlement, for permission granted others to remove products from natural gas of the utility.

B. The records supporting this account shall be so maintained that full information concerning determination of the revenues will be readily available concerning each processor of gas of the utility, including as applicable (a) the Mcf of gas and approximate average Btu content thereof per cubic foot delivered to such other party for processing, (b) the Mcf of gas and approximate average Btu content thereof per cubic foot of gas received back from the processor, (c) the field, general production area, or other source of the gas proc-

essed, (d) Mcf of gas used for processing fuel, etc., which is chargeable to the utility, (e) total gallons of each product recovered by the processor and the utility's share thereof, (f) the revenues accruing to the utility, and (g) the basis of determination of the revenues accruing to the utility. Such records shall be maintained even though no revenues are derived from the processor.

492 Incidental gasoline and oil sales.

This account shall include revenues from natural gas gasoline produced direct from gas wells or recovered from drips or obtained in connection with purification or dehydration processes, and revenues from oil obtained from wells which produce oil and gas, the investment in which is carried in account 330, Producing Gas Wells—Well Construction, and 331, Producing Gas Wells—Well Equipment.

493 Rent from gas property.

A. This account shall include rents received for the use by others of land, buildings, and other property devoted to gas operations by the utility.

B. When property owned by the utility is operated jointly with others under a definite arrangement for sharing the actual expenses among the parties to the arrangement, any amount received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account.

NOTE: Do not include rent from property constituting an operating unit or system in this account. (See account 412, Revenues from Gas Plant Leased to Others.)

494 Interdepartmental rents.

This account shall include credits for rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate actual costs among the departments using the property, any allowance to the gas department for interest or return and depreciation and taxes shall be credited to this account.

495 Other gas revenues.

This account shall include revenues derived from gas operations not includible in any of the foregoing accounts.

ITEMS

1. Commission on sale or distribution of gas of others when sold under rates filed by such others.
2. Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.
3. Profit or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.
4. Sales of steam, water, or electricity, including sales or transfers to other departments of the utility.
5. Service charges for storing gas of others.
6. Miscellaneous royalties received.
7. Revenues from dehydration and other processing of gas of others, except products extraction where products are received as compensation and sales of such are includible in account 490, Sales of Products Extracted from Natural Gas, and except compression of gas of others, revenues from which are includible in account 489, Revenues from Transportation of Gas of Others.

Operation and Maintenance Expense Accounts

1. MANUFACTURED GAS PRODUCTION

OPERATION

700 Operation supervision and labor.
701 Fuel.
702 Raw materials.
703 Operation supplies and expenses.
704 Residuals produced—Credit.
705 Rents.

MAINTENANCE

706 Maintenance of production plant.

2. NATURAL GAS PRODUCTION AND GATHERING

OPERATION

710 Operation supervision and labor.
711 Compressor station fuel and power.
712 Extracted products supplies and expenses.
713 Other supplies and expenses.
714 Gas well royalties.
715 Rents.

MAINTENANCE

716 Maintenance of gas wells.
717 Maintenance of field lines.
718 Maintenance of products extraction plant.
719 Maintenance of other plant.

3. EXPLORATION AND DEVELOPMENT

OPERATION

720 Delay rentals.
721 Nonproductive well drilling.
722 Abandoned leases.
723 Other exploration.

4. OTHER GAS SUPPLY EXPENSES

OPERATION

730 Natural gas purchases.
731 Other gas purchases.
732 Purchased gas expenses.
733 Gas withdrawn from underground storage—Dr.
734 Gas delivered to underground storage—Cr.
735 Gas used in utility operations—Cr.
736 Other gas supply expenses.

5. STORAGE EXPENSES

OPERATION

740 Operation supervision and labor.
741 Gas losses.
742 Operation supplies and expenses.
743 Storage well royalties.
744 Rents.

MAINTENANCE

745 Maintenance of wells.
746 Maintenance of other underground storage plant.
747 Maintenance of local storage plant.

6. TRANSMISSION EXPENSES

OPERATION

750 Operation supervision and labor.
751 Compressor station fuel and power.
752 Operation supplies and expenses.
753 Transmission and compression of gas by others.
754 Rents.

MAINTENANCE

755 Maintenance of mains.
756 Maintenance of compressor station equipment.
757 Maintenance of other plant.

7. DISTRIBUTION EXPENSES

OPERATION

760 Supervision.
761 Mains and services labor.
762 Mains and services supplies and expenses.
763 Meter and house regulator expenses.
764 Customer installations expenses.
765 Miscellaneous distribution expenses.
766 Rents.

MAINTENANCE

767 Maintenance of lines.
768 Maintenance of meters and house regulators.
769 Maintenance of other plant.

8. CUSTOMER ACCOUNTS EXPENSES

OPERATION

901 Meter reading labor.
902 Accounting and collecting labor.
903 Supplies and expenses.
904 Uncollectible accounts.

9. SALES EXPENSES

OPERATION

910 Sales expenses.
914 Revenues from merchandising, jobbing and contract work.
915 Costs and expenses of merchandising, jobbing and contract work.

10. ADMINISTRATIVE AND GENERAL EXPENSES

920 Administrative and general salaries.
921 Office supplies and other expenses.
922 Administrative expenses transferred—Cr.
923 Outside services employed.
924 Property insurance.
925 Injuries and damages.
926 Employee pensions and benefits.
927 Franchise requirements.
928 Regulatory commission expenses.
929 Duplicate charges—Cr.
930 Miscellaneous general expenses.
931 Rents.
933 Transportation expenses.

MAINTENANCE

935 Maintenance of general plant.

Operation and Maintenance Expense Accounts

1. MANUFACTURED GAS PRODUCTION

700 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of manufactured gas production plants.

ITEMS

1. Supervising.
2. Operating or attending equipment and controls including boiler plant, power equipment, and other auxiliaries.
3. Cleaning, lubricating, and oiling equipment and auxiliaries.
4. Loading and unloading and other handling of coal, coke, other fuels, raw materials, residuals, waste materials, etc.
5. Observing, testing, checking and adjusting meters, gauges, and other instruments and equipment.
6. Keeping plant logs and other records and preparing reports on plant operation.
7. Cleaning boiler room, other buildings, and yards.
8. Repacking glands and replacing gauge glasses and other similar work if work is of a minor nature and performed by regular operating crews. Where work is of a major character, such as that performed on high pressure boilers, the work shall be considered maintenance.
9. Testing water, etc.
10. Janitor, messenger, watchmen, and similar services.

11. Clerical and stenographic work at plant.

701 Fuel.

A. This account shall include the cost, delivered alongside works, of coal, oil, gas, or other fuel used in manufactured gas processes, and for making steam or generating electricity. It shall also include the net cost of, or the amount realized from, the disposal of ashes. (See account 150, Materials and Supplies.)

B. Records shall be maintained to show the quantity and cost of each type of fuel used.

702 Raw materials.

A. This account shall include the cost, delivered alongside works, of coal, oil, liquefied petroleum gas, gas enricher, and other materials used as raw materials in the manufacture of gas, including raw materials for manufacture of gas by reforming. (See account 150, Materials and Supplies.)

B. Records shall be maintained to show the quantity and cost of each type of raw material used.

703 Operation supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in manufactured gas production operations not includible in any of the foregoing accounts.

ITEMS

1. Lubricants, packing, waste, etc.
2. Water purchased.
3. Water purification supplies and expenses.
4. Tools, hand.
5. Gas purification supplies and expenses.
6. Oil for oil fogging process.
7. Royalties for purification process, etc.
8. Building service, communication service, transportation.

704 Residuals produced—Credit.

A. This account shall be credited and account 150, Materials and Supplies, debited monthly with the estimated value of residuals and other by-products obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.

B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting account 150, Materials and Supplies, with the difference.

705 Rents.

This account shall include rents for property of others used, occupied, or operated in connection with manufactured gas production operations. (See operating expense instruction 2.)

706 Maintenance of production plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of manufactured gas production plant the book cost of which is includible in plant accounts 305 to 320, inclusive. (See operating expense instruction 1.)

2. NATURAL GAS PRODUCTION AND GATHERING

710 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of gas wells, lines, compressors and other equipment of the natural gas production and gathering system including miscellaneous labor such as care of grounds, building service, and general clerical and stenographic work at field offices.

ITEMS

1. Supervising.
2. Geological activities in connection with gas production.
3. Rights-of-way activities and supervision, not in connection with construction or retirement work or storage.
4. Gas well labor: turning wells on and off, bailing, swabbing, blowing wells, etc.
5. Preparing and maintaining production maps and land records, including surveys.
6. Gas depletion and gas reserve studies.
7. Field line labor: patrolling, attending and lubricating valves and other equipment, blowing and cleaning lines and drips, taking line pressures, etc.
8. Field compressor station labor: operating, attending, lubricating and servicing equipment, recording pressures, replacing charts, etc.
9. Measuring and regulating labor: recording pressures, changing charts, calculating gas volumes except for purchased gas and sales, adjusting and calibrating measuring equipment, taking gas samples and testing gas, inspecting and pumping drips, dewatering manholes and pits, etc.
10. Purification labor: attending and servicing purification apparatus, emptying, cleaning and refilling purifier boxes, unloading and storing glycol, etc.
11. Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts.
12. Lubricating equipment, valves, etc.
13. Hauling operating employees, materials, supplies, etc.
14. Moving equipment, minor structures, etc., not in connection with construction, retirement, or maintenance work.
15. Keeping log and other operating records, preparing reports of operations, etc.
16. Cleaning structures, cutting grass and weeds, and minor grading around stations.
17. Cleaning debris, cutting grass and weeds on rights-of-way.
18. Cleaning and repairing tools.
19. Building and repairing gate boxes, foot bridges, stiles, tool boxes, etc.
20. Janitor, watchmen, and messenger services.
21. Clerical and stenographic work.

711 Compressor station fuel and power.

A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of field compressor stations.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power.

NOTE: The cost of fuel, except gas, shall be charged initially to account 150, Materials and Supplies, and cleared to this account on the basis of fuel used.

712 Extracted products supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in operation of plants for the extraction of salable products from natural gas.

NOTE: If the products extraction operations of the utility are other than a relatively minor part of the utility's natural gas business, the utility shall use the accounts for products extraction expenses of the Uniform System of Accounts for Classes A and B Gas Utilities with the respective accounts prescribed therein identified as subaccounts to this account.

713 Other supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in producing and gathering natural gas not includible in any of the foregoing accounts.

ITEMS

1. Scrubber oil.
2. Gas, gasoline, and oil, in pumping, bailing, heating, and swabbing.
3. Well swabs.
4. Lumber, nails, and other materials used for upkeep of fences, making signs, etc.
5. Material for upkeep of roads, etc.
6. Hand tools.
7. Lubricants, wiping rags, waste, etc.
8. Gas used in field line operations.
9. Charts and printed forms.
10. Gauge glasses.
11. Water tests and treatment by other than employees.
12. Gas purifying supplies.
13. Geological and gas reserve services by others than employees in connection with gas production.
14. Office supplies, stationery, drafting materials, etc.
15. Janitor, washroom, landscaping, first aid supplies, etc.
16. Employees' transportation and travel expense.
17. Freight, express, parcel post, trucking, and other transportation.
18. Utility services: light, water, telephone.

714 Gas well royalties.

A. This account shall include royalties paid for natural gas produced by the utility from wells on land owned by others.

B. Records supporting the entries to this account shall be so kept that the utility can furnish the name of the parties to each contract involving royalties, the terms of each contract, the location of the property involved, the method of determining the royalties, and the amounts payable.

715 Rents.

This account shall include rents for property of others used, occupied or operated in connection with the production and gathering of natural gas, other than rentals on land and land rights held for the supply of natural gas. (See operating expense instruction 2.)

NOTE: See account 720, Delay Rentals, for rentals paid on lands held for the purpose of obtaining a supply of gas in the future.

716 Maintenance of gas wells.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of gas wells and equipment the book cost of which is includible in accounts 330, Producing Gas Wells—Well Construction, and 331, Producing Gas Wells—Well Equipment. (See operating expense instruction 1.)

717 Maintenance of field lines.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of field lines the book cost of which is includible in ac-

count 332, Field Lines. (See operating expense instruction 1.)

ITEMS

1. Electrolysis and leak inspections (not routine).
2. Installing and removing temporary lines, when necessitated by maintenance.
3. Lamping and watching while making repairs.
4. Lowering and changing location of portion of lines, when the same pipe is used.
5. Protecting lines from fires, floods, land slides, etc.
6. Rocking creek crossings.

718 Maintenance of products extraction plant.

This account shall include the cost of labor, materials and supplies used and expenses incurred in the maintenance of plant the book cost of which is includible in accounts 341 to 347, inclusive. (See operating expense instruction 1.)

719 Maintenance of other plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant the book cost of which is includible in natural gas production and gathering plant, except accounts 330, 331, and 332. (See operating expense instruction 1.)

3. EXPLORATION AND DEVELOPMENT EXPENSES

720 Delay rentals.

A. This account shall be charged with the amount of rents paid periodically on natural gas lands in order to hold natural gas land and land rights for the purpose of obtaining a supply of gas in the future.

B. Include also in this account the cost of obtaining natural gas leases for a period of one year or less.

C. Records supporting this account shall be so kept that the utility can furnish complete details of the charges made for each natural gas leasehold. (See note to gas plant instruction 6–G.)

721 Nonproductive well drilling.

This account shall include the net cost of drilling nonproductive wells.

NOTE: Records in support of the charges to this account shall conform, as appropriate, to General Instruction 12, Gas Well Records.

722 Abandoned leases.

This account shall be charged with losses on abandonment of natural gas leases included in account 105, Gas Plant Held for Future Use, which have never been productive, unless otherwise authorized or directed by the Commission. (See account 182.)

723 Other exploration.

This account shall be charged with the cost of abandoned projects on which preliminary expenditures were made for the purpose of determining the feasibility of acquiring acreage to provide a future supply of natural gas. (See account 183, Other Deferred Debits.)

4. OTHER GAS SUPPLY EXPENSES

730 Natural gas purchases.

A. This account shall include the cost at point of receipt by the utility of natural gas purchased for resale.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and the amount paid for the gas.

731 Other gas purchases.

A. This account shall include the cost, at point of receipt by the utility, of manufactured gas, refinery gas, or any gas other than natural gas, or other than any mixed gas in which the natural gas is an important portion of the mixture.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the kind and quantity of gas, Btu content, basis of the charges, and the amount paid for the gas.

732 Purchased gas expenses.

A. This account shall include expenses incurred directly in connection with the purchase of gas for resale.

B. The utility shall not include as purchased gas expense, segregated or apportioned expenses of operating and maintaining gathering system plant whether such plant is devoted solely or partially to purchases of gas, except that the utility shall include the cost of turning on and off purchase gas wells and operating measuring stations devoted exclusively to measuring purchased gas.

C. In general, it is intended that this account include only the expenses directly related to purchased gas, including the expenses of computing volumes of gas purchased, and special items directly related to gas purchases which are not includible in other accounts.

733 Gas withdrawn from underground storage—Debit.

A. This account shall include debits for the cost of gas withdrawn from underground storage during the year. Contra credits for entries to this account shall be made to account 164, Gas Stored Underground.

B. Withdrawal of gas from storage shall not be netted against deliveries to storage. (See account 734.)

NOTE: Adjustments for gas inventory losses due to cumulative inaccuracies in gas measurement, or from other causes, shall be entered in account 741, Gas Losses. If, however, any adjustment is substantial and related predominantly to prior years, it shall be charged to account 435, Miscellaneous Debits to Surplus.

734 Gas delivered to underground storage—Credit.

A. This account shall include credits for the cost of gas delivered to underground storage during the year. Contra debits for entries to this account shall be made to account 164, Gas Stored Underground.

B. Deliveries of gas to storage shall not be netted against withdrawals from storage. (See account 733.)

735 Gas used in utility operations—Credit.

This account shall include concurrent credits for charges which are made to operating expenses or other accounts of the gas department for gas from the common system supply used for compressor station fuel or other purposes. (See account 484, Interdepartmental Sales, for gas supplied to departments other than the gas utility department.)

736 Other gas supply expenses.

This account shall include the cost of labor and materials used and expenses incurred in connection with gas supply functions not provided for in any of the above accounts.

5. STORAGE EXPENSES

740 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of storage facilities including underground storage gas wells, lines, compressors and other equipment of the underground storage system, and the labor and expense of preparing and maintaining storage maps and land records.

ITEMS

1. Operation of local storage facilities.
2. Operation of underground storage system. (See account 710.)

741 Gas losses.

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in underground storage operations due to cumulative inaccuracies of gas measurements or other causes. If, however, any adjustment is substantial and relates predominantly to prior years, it shall be charged to account 435, Miscellaneous Debits to Surplus.

742 Operation supplies and expenses.

This account shall include the cost of supplies used and expense incurred in connection with storage operating functions not provided for in any of the above accounts, including power and fuel for compressor stations used in underground storage operations.

ITEMS

1. Supplies used in operation of local storage facilities.
2. Supplies used in operation of underground storage system. (See account 713.)

743 Storage well royalties.

A. This account shall include royalties, rents, and other payments includible in operating expenses for gas wells and gas land acreage located within and comprising underground storage projects of the utility. (See operating expense instruction 2.)

B. The records supporting this account shall be so maintained that information will be readily available for each storage project, names of the parties to each contract, basis of the charges, and location of wells to which the royalties or rents of each contract relate.

744 Rents.

This account shall include rents for property of others used in connection with the storage of gas, other than rents and royalties paid with respect to storage wells and gas lands utilized for the holding of gas in underground storage. (See operating expense instruction 2.)

745 Maintenance of wells.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of gas wells and equipment the book cost of which is includible in account 352, Wells. (See operating expense instruction 1.)

746 Maintenance of other underground storage plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant the book cost of which is includible in accounts 351 to 357, inclusive, except account 352. (See operating expense instruction 1.)

747 Maintenance of local storage plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant the book cost of which is includible in accounts 361 to 363, inclusive. (See operating expense instruction 2.)

6. Transmission Expenses

750 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of lines, compressor stations, and other equipment of the transmission system.

Items

1. Load dispatching labor.
2. Transmission communication system labor.
3. Compressor station labor.
4. Mains labor.
5. Measuring and regulating station labor.
6. Miscellaneous labor.

751 Compressor station fuel and power.

A. This account shall include the cost of gas, or other fuel or electricity, used for the operation of transmission compressor stations.

B. Records shall be maintained to show the Mcf of gas or quantity of each other type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power.

752 Operation supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in connection with transmission system operating functions not provided for in any of the above accounts.

Items

1. Consultants' fees and expenses.
2. Payments to others for transmission communications services.
3. Telephone batteries, radio tubes, radio crystals, etc.
4. Scrubber oil.
5. Charts and printed forms.
6. Gauge glasses.
7. Water treatment chemicals.
8. Water tests and treatment other than by employees.
9. Line markers and warning signs.
10. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, etc.
11. Lubricants, wiping rags, waste, etc.
12. Hand tools.
13. Freight, express, parcel post, trucking and other transportation.
14. Employees' transportation and travel expenses.
15. Janitor and washroom supplies, first aid supplies, etc.
16. Utility services; light, water, telephone.

753 Transmission and compression of gas by others.

A. This account shall include amounts paid to others for the transmission and compression of gas of the utility.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement, name of other party, Mcf of gas delivered to the other party for transmission or compression and the Mcf of gas received back by the utility after transmission or compression, points of delivery to and receipt of gas from other party, amount and basis of charges for the transmission or compression service.

Note: If in connection with any gas delivered to another for transmission or compression such other party also processes the gas for extraction of gasoline or other salable products, credits attributable to the products so extracted shall be made to account 491, Revenues from Natural Gas Processed by Others, to the end that amounts recorded in this account shall only be charges for transportation or compression service.

754 Rents.

This account shall include rents for property of others used, occupied or operated in connection with the operation of the transmission system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expense instruction 2.)

755 Maintenance of mains.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of mains, the book cost of which is includible in account 367, Mains. (See operating expense instruction 1.)

Items

1. Supervising.
2. Electrolysis and leak inspections.
3. Installing and removing temporary lines, when necessitated by maintenance.
4. Lamping and watching while making repairs.
5. Lowering and changing location of lines, when the same pipe is used.
6. Protecting lines from fires, floods, land slides, etc.
7. Rocking creek crossings.

756 Maintenance of compressor station equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 368, Compressor Station Equipment. (See operating expense instruction 1.)

757 Maintenance of other plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and equipment, the book cost of which is includible in accounts 366, 369, 370, and 371. (See operating expense instruction 2.)

7. Distribution Expenses

760 Supervision.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of distribution system operations. Direct supervision of specific activities such as main operations, removing and resetting meters, etc., shall be charged to the appropriate account.

761 Mains and services labor.

This account shall include the cost of labor incurred in operating distribution system mains and services and related equipment.

Items

1. Mains and services labor.
2. Pumping station labor.
3. Measuring and regulating station labor.

762 Mains and services supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in operating distribution system mains and services and related equipment.

Items

1. Line markers and warning signs.
2. Lumber, nails, etc., used in building and repairing gate boxes, etc.
3. Charts and printed forms.
4. Scrubber oil.
5. Hand tools.
6. Lubricants, wiping rags, waste, etc.
7. Oil for fogging.
8. Lubricants, wiping rags, waste.
9. Freight, express, parcel post, trucking and other transportation.

763 Meter and house regulator expenses.

This account shall include the cost of labor, materials used and expenses incurred in connection with removing, resetting, changing, testing, and servicing customer meters and house regulators.

Items

Labor:

1. Removing, reinstalling, and changing or exchanging customer meters and house regulators.
2. Turning on and shutting off meters, except for failures of customers to pay bills.
3. Clerical work on meter history and associated equipment record cards, test cards, and reports.
4. Handling and recording meters and house regulators for stock.
5. Inspecting and testing meters and house regulators.
6. Inspecting and adjusting testing equipment.
7. Driving trucks used in meter operations.

Materials and expenses:

8. Meter locks and seals.
9. Lubricants, wiping rags, waste, etc.
10. Freight, express, parcel post, trucking, and other transportation.
11. Utility services: light, water, telephone, heating.
12. Office supplies, stationery and printing.
13. Employees' transportation expenses.
14. Janitor, washroom, first aid supplies, etc.

Note: The cost of the first setting of a meter or house regulator shall be charged to account 382, Meter Installations, or account 384, House Regulator Installations, as appropriate.

764 Customer installations expenses.

A. This account shall include the cost of labor, materials used and expenses incurred in work on customer premises other than expenses includible in account 763, including the cost of servicing customer-owned appliances when the cost of such work is borne by the utility.

B. Damage to customer equipment by employees of the utility whether incidental to the work or the result of negligence, shall be charged to the job on which the employee was engaged at the time of damage.

ITEMS

Labor:

1. Investigating and correcting pressure difficulties, leaks, or stoppages in customer-owned piping.
2. Inspecting new installations to determine that the customers' equipment and piping are properly installed and connected.
3. Consolidating meter installations, without change of size, due to elimination of separate meters for different service classifications.
4. Gas load surveys including the incidental preparations and replacement of meters.
5. Installing demand or test meters.
6. Inspecting, cleaning, repairing, and adjusting customer-owned appliances for domestic, industrial, or commercial use, including house heating furnaces and other space heating appliances, hotel and restaurant appliances.

Materials and Expenses:

7. Lubricants, wiping rags, waste, etc.
8. Replacement parts for appliances.
9. Janitor, washroom, first aid supplies, etc.
10. Employees' transportation and travel expenses.
11. Utility services: light, water, telephone.

NOTE: Amounts billed customers for any work, the cost of which is charged to this account, shall be credited to this account. Any excess over costs resulting therefrom shall be transferred to account 488, Miscellaneous Service Revenues.

765 Miscellaneous distribution expenses.

This account shall include the cost of labor, materials used and expenses incurred, general distribution office work, preparation and maintenance of distribution maps and records, and other expenses not provided for elsewhere, including expenses of operating any street lighting systems.

766 Rents.

This account shall include rents for property of others used, occupied or operated in connection with the operation of the distribution system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expense instruction 2.)

767 Maintenance of lines.

This account shall include the cost of labor, materials and supplies used and expenses incurred in the maintenance of plant the book cost of which is includible in accounts 376, 377, 378, 379, 380, and 385. (See operating expense instruction 1.)

ITEMS

Mains:

1. Trenching, backfilling, and breaking and restoring pavement in connection with the installation of leak or reinforcing clamps.
2. Work performed as the result of municipal improvements such as street widening, sewers, etc., where the gas mains are not retired.
3. Municipal inspections relating to maintenance work.
4. Other work of the following character:
   a. Locating leaks incident to maintenance.
   b. Cutting off mains without replacement. (Minor cuts not retired.)
   c. Repairing broken mains, leaking joints, leaking drip riser, etc.
   d. Bringing main valve box, main drip riser box, valve test pipe box, or pressure pipe roadway box up to grade.
   e. Cleaning, repainting, coating, and wrapping exposed mains.
   f. Repacking main valves.
   g. Lowering and changing location of mains.
   h. Trenching, backfilling, cutting-in or removal of pipe not retired in connection with the installation of leak clamps, valves, or drips.
   i. Restoration of permanent pavement in connection with work chargeable to maintenance.
   j. Emergency stand-by time associated with maintenance.
   k. Repairing sewers, drains, walls, etc., when damaged by maintenance work.
   l. Making electrolysis tests to maintain life of plant.
   m. Repairing property of others damaged by maintenance work.

Compressor station equipment: (See operating expense instruction 1.)

Measuring and regulating station equipment: (See operating expense instruction 1.)

Services:

5. Testing pipe for leaks, stoppage, or other trouble and making necessary repairs.
6. Reporting on the condition of gas services to determine the need for repairs.
7. Rearranging and changing the location of services not retired.
8. Repairing service valves for reuse.
9. Lowering and raising curb boxes to grade.
10. Replacing less than a complete service, when not retired.
11. Installing fittings, valves, drips, frost protection devices, or replacing similar items on existing services.
12. Cutting and replacing pavement, pavement base and sidewalks in connection with maintenance work.
13. Restoring condition of services damaged by fire, storm, leakage, flood, accident, or other casualties.
14. Repairing property of others damaged by maintenance work.
15. Transferring services in connection with the installation of new mains.
16. Installing, maintaining, and removing temporary facilities to prevent the interruption of service.
17. Converting low pressure gas distribution service to medium or high pressure service.
18. Relocating and rerouting gas service temporarily during alterations of buildings.
19. Performing work resulting from municipal improvements, such as street widening, sewers, etc.
20. Replacing service valve box or drip riser box.
21. Installing, removing or replacing service valve, drip pot, or drip riser.
22. Repacking service valve.

768 Maintenance of meters and house regulators.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and house regulators, the book cost of which is includible in accounts 381, Meters, and 383, House Regulators. (See operating expense instruction 1.)

ITEMS

1. Inspecting and testing meters and house regulators on customers' premises or in shops in connection with repairs.
2. Cleaning, repairing, and painting meters, house regulators, and accessories and equipment.
3. Repairing testing equipment.
4. Rebuilding and overhauling meters without changing their rated capacities.
5. Resealing house regulators with mercury, replacing diaphragms, springs and other defective or work parts.
6. Replacing or adding any item not constituting a retirement unit.

769 Maintenance of other plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, and all other distribution system plant not provided for elsewhere, the book cost of which is includible in accounts 375, 386, and 387. (See operating expense instruction 1.)

ITEMS

1. Work of similar character to that listed in other distribution maintenance accounts.
2. Maintenance of office furniture and equipment used by distribution system department.

8. CUSTOMER ACCOUNTS EXPENSE

901 Meter reading labor.

This account shall include the cost of labor incurred in reading customer meters and determining consumption when performed by employees engaged in reading meters.

ITEMS

Labor:

1. Addressing forms for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Checking meter seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Meter reading—small consumption, and obtaining load information for billing purposes. (Exclude and charge to account 763, Meter and House Regulator Expenses, or to account 902, Accounting and Collecting Labor, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing or locking, and disconnecting, or reconnecting meters.)
5. Measuring gas—large consumption, including reading meters, changing charts, calculating charts, estimating lost meter registrations, determining specific gravity, etc., for billing purposes.
6. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
7. Collecting from prepayment meters when incidental to meter reading.
8. Maintaining record of customers' keys.
9. Computing estimated or average consumption when performed by employees engaged in reading meters.

902 Accounting and collecting labor.

This account shall include the cost of labor in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

ITEMS

1. Receiving, preparing, recording and handling routine orders for service, disconnec-

tions, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.

2. Investigating customers' credit and keeping records pertaining thereto, including records of uncollectible accounts written off.

3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.

4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.

5. Preparing address plates and addressing bills and delinquent notices.

6. Preparing billing data.

7. Operating billing and bookkeeping machines.

8. Verifying billing records with contracts or rate schedules.

9. Preparing bills for delivery, and mailing or delivering bills.

10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.

11. Balancing collections, preparing collections for deposit, and preparing cash reports.

12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.

13. Balancing customer accounts and controls.

14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.

15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.

16. Disconnecting and reconnecting services because of nonpayment of bills.

17. Receiving, recording, and handling of inquiries, complaints, and request for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.

18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.

19. Preparing and periodically rewriting meter reading sheets.

20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

NOTE: The cost of work on meter history and meter location records is chargeable to account 763, Meter and House Regulator Expenses.

903 Supplies and expenses.

This account shall include the cost of materials used and expenses incurred in meter reading and the handling of customer accounts.

ITEMS

1. Badges, lamps and uniforms.
2. Meter charts, meter books and binders and forms for recording readings, but not the cost of preparation.
3. Address plates and supplies.
4. Cash overages and shortages when written off.
5. Commissions or fees to others for collecting.
6. Payments to credit organizations for investigations and reports.
7. Postage.
8. Transportation of customer bills and meter books under centralized billing procedure.
9. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
10. Forms for recording orders for services, removals, etc.
11. Rent of mechanical equipment.
12. Transportation, meals and incidental expenses.
13. Communication service.
14. Miscellaneous office supplies and expenses and stationery and printing.

904 Uncollectible accounts.

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts—Cr. Losses from uncollectible accounts shall be charged to account 144.

9. SALES EXPENSES

910 Sales expenses.

This account shall include the cost of labor and expenses incurred for the purpose of promoting the sale of gas, other than merchandising, jobbing, or contract work activities.

ITEMS

1. Advertising.
2. Demonstrating uses of utility service.
3. Home service activities.
4. Solicitation of new business.

914 Revenues from merchandising, jobbing and contract work.

915 Costs and expenses of merchandising, jobbing and contract work.

A. These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission and all expenses incurred in such activities.

B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

NOTE: Revenues and expenses of merchandising, jobbing, and contract work shall be reported in this account, if a state regulatory body having jurisdiction over the utility requires such income to be reported as an operating expense item; but the revenues and expenses shall be reported in accounts 415 and 416, if such regulatory body requires such income to be reported as nonoperating income. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 415 and 416, at its option, in which case the practice of the utility must be consistent.

ITEMS

Account 914

1. Revenues from sale of merchandising and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 915

Labor:

1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
2. Demonstrating and selling activities in sales rooms.
3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
4. Installing piping, or other property work on a jobbing or contract basis.
5. Preparing advertising materials for appliances sales purposes.
6. Receiving and handling customer orders for merchandise or for jobbing services.
7. Cleaning and tidying sales rooms.
8. Maintaining displays and equipment used in merchandising.
9. Arranging merchandise in sales rooms and decorating display windows.
10. Reconditioning repossessed appliances.
11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.
12. Supervising merchandise and jobbing operations.

Materials and Expenses:

13. Advertising in newspapers, periodicals, radio, television, etc.
14. Cost of merchandise sold and of materials used in jobbing work.
15. Stores expense on merchandise and jobbing stocks.
16. Fees and expenses of advertising and commercial artists' agencies.
17. Printing booklets, dodgers, and other advertising data.
18. Premiums given as inducement to buy appliances.
19. Light, heat and power.
20. Rent of sales rooms or of equipment.
21. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.
22. Stationery and office supplies and expenses.
23. Taxes directly assignable to merchandise and jobbing operations.
24. Losses from uncollectible merchandise and jobbing accounts.

10. ADMINISTRATIVE AND GENERAL EXPENSES

920 Administrative and general salaries.

A. This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operation function.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

921 Office supplies and expenses.

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

NOTE: Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function shall be included in

account 930, Miscellaneous General Expenses.

ITEMS

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.
7. Membership fees and dues in trade, technical, and professional associations paid by utility for employees. (Company memberships are includible in account 930.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees, and other expenses of legal department.
10. Postage, printing, and stationery.
11. Meals, traveling and incidental expenses.

922 Administrative expenses transferred—Cr.

This account shall be credited with administrative expenses recorded in account 920, and 921 which are transferred to construction costs or to nonutility accounts. (See utility plant instruction 3.)

923 Outside services employed.

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include, also, the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

ITEMS

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
2. Supervision fees and expenses paid under contracts for general management services.

NOTE: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

924 Property insurance.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

ITEMS

1. Premiums payable to insurance companies, for fire, storm, burglary, explosion, lightning, fidelity, riot, and similar insurance.
2. Amounts credited to account 261, Property Insurance Reserve for similar protection.
3. Special costs incurred in procuring insurance.
4. Insurance inspection service.
5. Insurance counsel, brokerage fees, and expenses.

NOTE A: The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

NOTE B: The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated:

(1) Materials and supplies and stores equipment to stores expenses or to appropriate materials account.

(2) Transportation and garage equipment, to account 933, Transportation Expenses.

(3) Gas plant leased to others, to account 413, Expenses of Gas Plant Leased to Others.

(4) Nonutility property, to the appropriate nonutility income account.

(5) Merchandise and jobbing property, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or account 915, as appropriate.

925 Injuries and damages.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims.

B. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

ITEMS

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 262, Injuries and Damages Reserve for similar protection.
2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.
3. Fees and expenses of claim investigators.
4. Payment of awards to claimants for court costs and attorneys' services.
5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.
6. Compensation payments under workmens' compensation laws.
7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)
8. Cost of safety, accident prevention and similar educational activities.

NOTE A: Payments to or in behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, shall be charged to account 926, Employee Pensions and Benefits. (See also Note B of account 926.)

NOTE B: The cost of injuries and damages or reserve accruals capitalized shall be charged to construction directly or by transfer to construction work orders from this account.

NOTE C: Exclude herefrom the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

NOTE D: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in injuries and damages activities may be included in accounts 920 and 921 as appropriate.

926 Employee pensions and benefits.

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for this purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payments for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, education or recreational activities for the benefit of employees.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the account involved and are not included herein in the first instance.

ITEMS

1. Payment of pensions under a nonaccrual or nonfunded basis.
2. Accruals for or payments to pension funds or to insurance companies for pension purposes.
3. Group and life insurance premiums (credit dividends received).
4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.
5. Payments for accident, sickness, hospital, and death benefits or insurance.
6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.
7. Expenses in connection with educational and recreational activities for the benefit of employees.

NOTE A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities may be included in accounts 920 and 921, as appropriate.

NOTE B: Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.

927 Franchise requirements.

A. This account shall include payments to municipal or other governmental

authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements; provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, gas service furnished without charge under provisions of franchises.

B. When no direct outlay is involved, concurrent credit for such charges shall be made to account 929, Duplicate Charges—Cr.

C. The account shall be maintained so as to readily reflect the amounts of cash outlays, utility service supplied without charge, and other items furnished without charge.

NOTE A: Franchise taxes shall not be charged to this account but to account 408, Taxes Other Than Income Taxes.

NOTE B: Any amount paid as initial consideration for a franchise running for more than one year shall be charged to account 302, Franchises and Consents.

928 Regulatory commission expenses.

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees.

B. Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to account 183, Other Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

ITEMS

1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

2. Office supplies and expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

NOTE A: Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

NOTE B: Do not include in this account amounts includible in account 302, Franchises and Consents, account 181, Unamortized Debt Discount and Expense, or account 214, Capital Stock Expense.

929 Duplicate charges—Cr.

This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of gas service from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay.

930 Miscellaneous general expenses.

This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

ITEMS

Labor:

1. Miscellaneous labor not elsewhere provided for.

Expenses:

2. Industry association dues for company membership.
3. Contributions for conventions and meetings of the industry.
4. Experimental and general research work for the industry.
5. Communication service not chargeable to other accounts.
6. Trustee, registrar, and transfer agent fees and expenses.
7. Stockholders meeting expenses.
8. Dividend and other financial notices.
9. Printing and mailing dividend checks.
10. Directors' fees and expenses.
11. Publishing and distributing annual reports to stockholders.
12. Institutional or goodwill advertising.
13. Public notices of financial, operating, and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

931 Rents.

This account shall include rents properly includible in utility operating expenses for the property of others used, occupied or operated in connection with the customer accounts, sales, and general administrative functions of the utility. (See operating expense instruction 2.)

933 Transportation expenses.

A. This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of general transportation equipment of the utility.

B. This account may be used as a clearing account in which event the charges hereto shall be cleared by apportionment to the appropriate operating expense, gas plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

1. Supervision.
2. Building service.
3. Care of grounds, including snow removal, cutting grass, etc.
4. Utility services.
5. Depreciation of transportation equipment.
6. Fuel and lubricants for vehicles (including sales and excise taxes thereon.)
7. Insurance on garage equipment and transportation equipment, including public liability and property damage.
8. Maintenance of transportation and garage equipment.
9. Compensation of drivers, mechanics, clerks, and other garage employees.
10. Rent of garage buildings and grounds, vehicles or equipment.
11. Replacement of tires, tubes, batteries, etc.
12. Direct taxes, licenses, and permits.
13. Miscellaneous garage supplies, tools, and equipment.
14. Miscellaneous office supplies and expenses, printing, and stationery.
15. Transportation, meals, and incidental expenses.

NOTE A: The pay of employees driving trucks or other transportation equipment incidental to their regular occupation, shall not be included herein but charged directly to the appropriate expense or other account.

NOTE B: Transportation expenses applicable to construction shall not be included in operating expenses.

935 Maintenance of general plant.

A. This account shall include the cost assignable to customer accounts, sales and administrative and general functions of labor, materials used and expenses incurred in the maintenance of property, the book cost of which is includible in account 390, Structures and Improvements, account 391, Office Furniture and Equipment, and other general equipment accounts (not including transportation equipment). (See operating expense instruction 1.)

B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

Manufactured gas production	Account 706.
Natural gas production and gathering	Account 719.
Storage	Account 746 or 747.
Transmission	Account 757.
Distribution	Account 769.
Merchandise and jobbing	Account 416 or 915.
Garages, shops, etc.	Appropriate general expense or clearing account.

NOTE: Maintenance of plant included in other general equipment accounts shall be included herein unless charged to clearing accounts or to the particular functional maintenance expense accounts indicated by the use of the equipment.

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